



## HOME NEWS

## Postal workers accept productivity deals after warning on jobs

From David Felton Blackpool

Post Office workers yesterday decided to accept the principle of local productivity deals after warnings from Mr Tom Jackson, their union leader, that the alternative was lost jobs and the end of the corporation's letter monopoly.

The decision was a personal victory for Mr Jackson, who made a spirited defence of the productivity proposals, to be implemented experimentally in London from June 1. He also revealed details of a secret Post Office report outlining tougher management tactics.

Speaking to the Union of Post Office Workers' annual conference in Blackpool, Mr Jackson said instructions from the corporation to head postmasters, which had the backing of Mr Denis Roberts, managing director (Posts), included the insistence that postmasters did not "back away from industrial action".

The report also said that local management should raise productivity regardless of union reaction, and wipe out existing restrictive practices. Mr Jackson used the report as a warning to conference delegates hostile to local productivity deals.

"Don't you dare raise your hand against the proposals unless you are sure that you have got your troops behind you," he told them. The voting was

75,940 to 39,110 in favour of the deal, which is intended to eliminate large amounts of overtime working.

Postmen will receive 70 per cent of the savings made by the Post Office through overtime reductions; that is expected to put at least £6 to £7 more in their weekly pay packets. There is the possibility of further earnings from the scheme if there are consistent improvements in the quality of the postal service.

The London scheme is expected to be used as a model for local deals, and Mr Jackson said the union was oversubscribed by branches who wanted to take part.

He warned that the "overtime kings will suffer". One third of Britain's 140,000 postal workers do no overtime, "but some offices are choked with overtime and some of our people would rather sleep in the office than go home. One branch in London has an agreement to keep vacancies open so that they go on working overtime."

Mr Jackson was earlier in the year defeated by a special conference on productivity proposals he had recommended. He feared the Government would break up the Post Office's letter monopoly if the service was not improved.

Opposition to the proposals came from branches who claimed that previous union conferences had already decided a policy against local productivity deals.

## Mass picket planned in Grain site dispute

From Donald Macintyre Bournemouth

The General and Municipal Workers' Union last night put its industrial muscle behind a determined attempt to close the Isle of Grain power station site in Kent, in defence of 27 lagger members who have been in dispute over bonuses since August.

Mr David Bassett, the union's general secretary, announced in Bournemouth after a 75-minute meeting of his executive that an official picket line would be mounted at the gates.

The union is hoping that up to 6,000 thermal insulation workers at heavy construction sites throughout the country will stop work on Tuesday to take part in a mass picket at the site.

It further declared an official dispute with the main contractors at Grain, who during the past two weeks have been employing and training newly-recruited men to take over the work of the GMWU laggards.

The decision brings to a head what is mainly an inter-union dispute between the GMWU and key mechanical unions at the site, who have given the contractors full cooperation in their use of substitute men.

Mr Bassett said last night: "We have striven to seek a peaceful solution. We have taken the matter to the TUC whose finance and general purposes committee considered the issue again on Monday, and we would still like a peaceful solution. But there is no alternative but to take action."



Mr Prior hits back: Defending his stand against rushing trade union legislation through Parliament, Mr James Prior, Secretary of State for Employment, turned the TUC's day of action last week to his own advantage yesterday (Michael Hatfield writes). Mr Prior

(with Lord Thorneycroft, chairman of the Conservative Party, on his right), was faced with demands for tougher action by some delegates to the Conservative Women's Conference at Central Hall, Westminster. He said that if the Government had rushed legislation he

wondered what the reaction of ordinary trade unionists would have been to the day of action. As it was, May 14 had been a triumph for common sense and an indication that most trade unionists felt the Government was trying to be fair.

## Joining Labour Party 'is like obstacle race'

By Paul Routledge

Less than one per cent of the voting population belongs to the Labour Party, according to new evidence submitted by party workers to an internal commission of inquiry.

The Labour Party staff joint trade union committee complains that would-be party members have to run an administrative obstacle course to gain admission, and argues that a full-time recruitment officer should be appointed at national level to remedy that.

In a wide-ranging 10,000-word submission to Labour's inquiry, the staff also call for official policy on industrial democracy to be taken more seriously at the party's own headquarters in Walworth Road, south London.

The staff also suggest a drive to get unions which are at present non-political to affiliate to Labour.

"Of course, a large number of these unions would never dream of affiliating to the party, but some effort should be made to get politically sympathetic unions to affiliate. Nalgo is the obvious first candidate."

Arguing for a national and local recruitment campaign, the staff trade unionists say: "If we take our true individual membership as being 250,000, then this represents only 0.85 per cent of the voting population."

The staff go on to disclose that one of their "most frustrating administration problems" in recruiting new members concerns the local and national difficulty experienced by would-be members in getting accepted into the party. "The obstacle course of central and local administration is almost designed

to eliminate the casual member from our party."

Since the Conservatives were elected, some 10,000 applications for membership have been received at party headquarters—many of them after party political broadcasts. But with only one person to look after this flood of applications, the administrative machinery is overloaded.

GMWU proposals: A broadly-based National Council of Labour which would provide a substantial counterweight to the party's National Executive Committee is one reform proposal drawn up by the General and Municipal Workers' Union (Donald Macintyre writes from Bournemouth).

A GMWU report, which is endorsed by the union's conference tomorrow, will form the basis of the inquiry, says that the party needs to be made "more democratic."

A "well organized national lobby" replacement of the part-time treasurer by a deputy general secretary responsible for finance and an increase in trade union-generated funds are suggested as ways of easing the party's financial straits.

The council of Labour, which would "confirm" election of the leader, would include 13 members drawn from the union members of the executive.

Offer rejected: Workers at the Labour Party's headquarters formally rejected a 20 per cent pay offer made to them yesterday by the party's staff negotiations committee (the Press Association reports).

They are planning industrial action in an attempt to resolve the dispute swiftly.

## Employment Bill caution by the TUC

Continued from page 1

In 1972, lorry drivers in 1979 and steel workers earlier this year are cited. The paper adds: "Such action will become unlawful when the Bill is enacted."

Nevertheless, the TUC thinks there will still remain lawful opportunities for unions to take sympathetic or blocking action designed to increase pressure on an employer, his customers and suppliers. "Careful guidance" is being prepared on the ways that the use of such opportunities can be maximized.

Reporting on the progress of the Employment Bill, the TUC paper admits that the unions have not succeeded in deflecting the Government, and says that the legislation seems certain to get on the statute book by mid-July.

"It is also apparent that there is strong pressure within the Conservative Party for further, even more restrictive legislation, and this might be reflected in a Green Paper to be published later this year."

The unions do not want to show their hand on the full range of opposition tactics against the Employment Act, as it will become, while it is still open to amendment by the Government during its final passage before Parliament. The Bill began its passage through the Lords yesterday.

The paper says: "It is crucial that the TUC, in developing a policy response to the legislation, does not do so at the expense of the Bill's aim to be adjusted to circumvent TUC policies."

## Cigarettes promotion abandoned

By a Staff Reporter

Philip Morris, the maker of Marlboro cigarettes, has abandoned its controversial deal with the National Union of Students to promote cigarettes in student unions in return for providing film club posters and film nights.

It has also scrapped another campaign designed to attract people to join an organization called Club Marlboro, which would provide discounts on discotheques, records, tickets to Brands Hatch racing events and other sporting activities.

There has been widespread criticism of the two ventures, first disclosed in *The Times*. In a statement yesterday the company said that after considering carefully all the arguments put forward in the Commons debate on May 9 and in discussions with the department it had decided to withdraw the two promotions.

The National Union of Students would be notified and the 2,500 people who had already applied to join Club Marlboro would have their postage refunded.

The company had argued that its promotions were aimed at and limited to people aged more than 18, who, according to the voluntary code of practice governing promotion, are considered to be adults.

Mr Patrick Jenkin, Secretary of State for Social Services, who had described the promotions as "blatantly out of accord with the whole spirit of the act," said yesterday that he welcomed "this sensible decision."

## A panda that will chase you—but not too far

From Stewart Tendler Scarborough

Faced with public spending cuts, the Nottinghamshire police force recently limited mileage on the only panda car in an inner city area to eight miles in every eight-hour shift, according to officers at the annual conference of the Police Federation in Scarborough yesterday.

The mileage restriction was tied to a monthly fuel quota. After complaints from policemen, the mileage was raised to 15 miles a shift. The area concerned is a suburb less than a mile from the centre of Nottingham.

The policemen added that if the quota of miles is exceeded before the end of each month the car is taken off the road until the start of the next month.

Cars from the force's traffic departments provide the only reserve, and they, if free, take over until the panda is on the road again, or supplement it cover in emergencies. The policemen said that there have been instances when they have not been able to reach injured colleagues and other times, towards the end of a month, when they have had to go out on use up petrol to make sure the quota is used.

The matter arose at the conference when Mr Paul Middy, chairman of the constables' central committee used the Nottinghamshire case as an illustration to support a call to the Government to review its economic policy in the light of the needs of the police service.

Mr Middy, of the South Yorkshire force, told the conference that cuts in equipment and support services for the police were "potentially dangerous."

He added that the replacement of equipment was being sacrificed to pay the interest on the huge police debts.

Some delegates confirmed privately that the Nottinghamshire force is not the only one where restrictions have been placed on using equipment where there have been delays in buying new equipment. The spokesman pointed out that although the Government has pledged itself to support law and order, most fresh spending is being channelled into the prison service and the courts.

The spokesman said that Police Constable Trevor Loc who was held in the Israeli Embassy siege, and to Police Constable Stephen Hicklin who was seriously injured by a bomb at Cardiff police station.

The spokesman said that the force was described as a "cruel cowardly attack" by a Middy.

## 'Sus' law repeal recommended

Continued from page 1

By its nature, "sus" was peculiarly liable at best to misinterpretation, and at worst to abuse, the committee adds. "We are satisfied that it is not in the public interest to make behaviour interpreted as revealing criminal intent, but equally open to innocent interpretation, subject to criminal penalties."

The objectionable nature of "sus" in principle had equally objectionable practical consequences, according to the Committee. The prosecution case was almost always founded exclusively on evidence from two policemen, unsupported by any other witnesses. That left police particularly open to charges of selective or prejudiced enforcement, whether well founded or not.

It was also open to the prosecution to introduce a defendant's previous convictions in evidence in "sus" cases. "This practice is against the trend of

British law and ill accords with the normal standards of British justice."

The committee found it impossible to make any accurate estimate of the proportion of those convicted of "sus" who did not in fact intend to commit an offence. "But we do not consider that the public interest is best served by an offence which inevitably leaves a significant proportion of those convicted with a sense that their conviction was unjust."

There was no doubt that the use of "sus" had damaged relationships between the police and the black community. Its effect was not just on the young people who might be directly involved, but also on the older generation, whose attitude in the past had been supportive of police, the committee says.

It would not have urged the abolition of "sus" merely on those grounds, even if it had been proved that the law was being used in a systematically

racially discriminatory way, the committee adds.

In fact, it does not believe that "sus" has been used with a deliberate racial bias, but says that the repeal of the law would remove such grounds for suspicion as might exist.

The committee was satisfied that the gap in police powers that would be caused by abolishing "sus" is insignificant. The police could intervene to protect the public in a variety of other ways, for instance by using local powers of "stop and search," and by informally warning or cautioning.

Another way of preventing street crime was the presence of uniformed policemen. "If those officers at present in plain clothes who make the majority of 'sus' arrests were instead a uniformed presence, any fall in arrests would more than be made up by the deterrent effect on the potential criminal and the increased confidence of the public."

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## MPs deplore IBA ban on Granada

By Our Political Editor

Mrs Margaret Thatcher yesterday admitted, without further elaboration that the IBA's "cover up" had already been put into operation after allegations of lapses and improprieties brought against the Government's secret communications headquarters in Hong Kong.

Repudiating an MP's suggestion that a serious breach of security must be involved to justify the IBA's "cover up" ban of the Granada World in Action programme scheduled for Monday on the allegations, the Prime Minister said that the allegations had been taken seriously at the time and then investigated "independently."

She stated, at Commons question time, that the allegations were established as largely unfounded, "but where they were well-founded were put into operation."

Mrs Thatcher also insisted that the IBA took its decision wholly independently.

Some 100 Labour and Liberal MPs have signed a Commons motion deploring the IBA ban. They included Mr Peter Archer, who was Solicitor General in the last Labour Government, and Mr David Ennals, the former Secretary of State for the Social Services.

As a Foreign Office junior Minister, Mr Ennals had been involved in dealings with the original allegations brought against the Hong Kong establishment. He had taken part in the Granada programme Granada warned: Granada

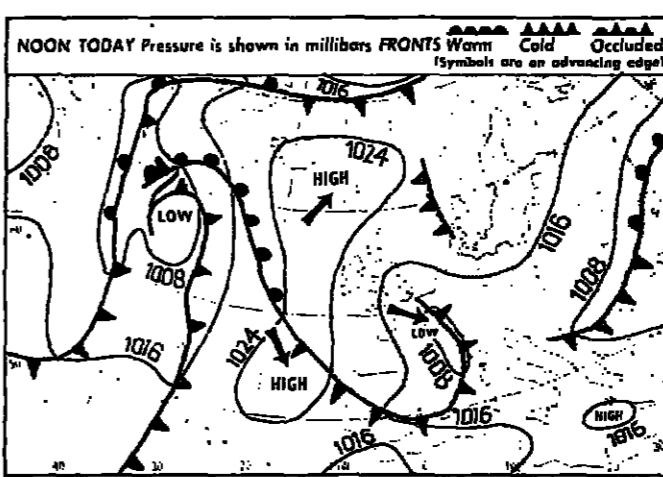
Television was warned by its legal advisers 10 days ago that it would be in breach of the Official Secrets Act if it transmitted the programme (Kenneth Gosling writes).

Mr Ennals said that he was trying to arrange to have the programme shown in the Commons later this week.

Fire at university

Fire destroyed a laboratory storeroom at York University yesterday. It was started after a small explosion in an adjoining chemistry laboratory

## Weather forecast and recordings



Today Sun rises: 5.0 am Sun sets: 8.35 pm Moon sets: 11.54 am

First quarter: 8.16 pm Lighting up: 9.22 pm to 4.29 am. High Water: London Bridge, 7.28 am, 6.58 pm, 7.41 pm, 6.11 am. Avonmouth, 12.24 pm, 10.59 am, 12.55 pm, 10.59 am. Dover, 5.58 pm, 5.0 pm, 5.0 am, 11.35 am, 7.8 am, 5.20 pm, 7.58 am. 1 ft = 0.3048 m. 1 m = 3.2808 ft.

Complex area of low pressure moving E into France. Forecasts from 6 am to midnight: London, Midlands, N. Wales. Mostly dull and misty with rain or drizzle at first, hill fog, becoming brighter and mostly dry later; winds N or NE, light or moderate; max temp 12° to 14°C (54° to 57°F).

SE, central S and SW England. S. Wales. Mostly cloudy, outbreaks of rain or drizzle slowly dying out later, hill fog, a few bright intervals; winds N or NE, moderate or fresh; max temp 12° to 14°C (54° to 57°F).

East Anglia, E. England. Any outbreaks of rain dying out, sunny intervals developing; winds SE, light, increasing moderate or fresh; max temp 14° to 15°C (57° to 59°F).

Channel Islands. Rather cloudy, outbreaks of rain; winds N, NE moderate or fresh; max temp 13° to 15°C (55° to 59°F), cooler on coasts.

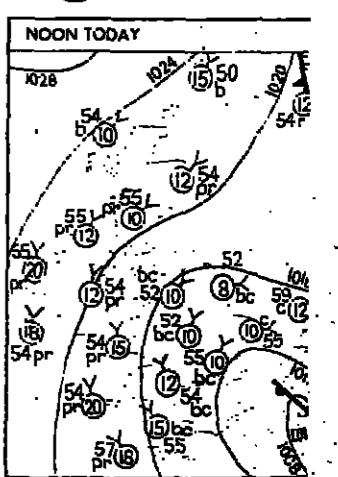
Central Highlands, NW Scotland. Rather cloudy, scattered showers mostly dry, some bright intervals; winds NE, light or moderate; max temp 14° to 16° (57° to 61°F).

Orkney, Shetland. Rather cloudy, hill fog, perhaps a little drizzle at times; winds NE light or moderate; max temp 10° to 12° (50° to 54°F).

Outlook for tomorrow and Friday: Drier, with near normal temperatures in the N extending slowly to the S.

Sea passages: S North Sea: Wind E, moderate or fresh; sea slight or moderate. Strait of Dover: NE wind, backing NW, fresh or strong; sea rough. English Channel (E), St George's Channel, Irish Sea: Wind N to NE, fresh or strong, locally gale at first; sea rough.

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## HOME NEWS

## DPP closes file on allegations of corruption in Blackpool after four years of police investigations

From John Chartres

Manchester

Nearly four years of investigations into alleged corrupt activities in and around Blackpool ended yesterday with an announcement from the office of the Director of Public Prosecutions that no further proceedings were contemplated in that field.

Official inquiries into the way that Blackpool and its immediate surrounding districts were being administered began in July, 1976, when a Blackpool police officer, Sergeant Harry Roby, made a formal complaint against Mr Stanley Parr, then Chief Constable of Lancashire, during a routine inspection of the force.

That led to the Lancashire police committee, of which Mr Frank Loftus was then chairman, asking Sir Douglas Osmond, Chief Constable of Hampshire, to conduct an inquiry into "certain matters within the personal jurisdiction of the chief constable".

Later, a tribunal headed by Mr Patrick Bennett, QC, found 24 out of 37 disciplinary charges proved against Mr Parr which alleged discreditable conduct, and two which alleged falsehood. Mr Parr was dismissed from his post by the police committee in December, 1977.

A further inquiry into allegations of "corruption in public life" in Blackpool was first conducted by a team of detectives from Nottinghamshire CID who were supplied with a 50-page dossier by the *Lancashire Evening Post* newspaper.

In April, 1978, Mr Merlyn Rees, then Home Secretary, announced in the Commons that the DPP had decided that "further and wider" inquiries were necessary, and the work was undertaken by Mr Peter Imbert, at that time deputy Chief Constable of Surrey and now Chief Constable of the Thames Valley force.

As a result of his inquiries with a team of 12 of his officers supported by experts from the Metropolitan and City of London Police company fraud departments, Mr Loftus (who by then had ended his chairmanship of the police committee, but who is still a member of Lancashire County Council and its police committee) faced trial early this year on corruption charges relating to planning applications.

He and his fellow defendant, Mr Michael Barrett, a builder of Poulton-le-Fylde, were both acquitted. Their lawyers will have case to come before the courts during the investigation.

Long reports were submitted to the DPP's office by Mr Imbert and his team, most of them referring to alleged corruption in planning and commercial franchise applications to commercial activities in Blackpool, including its famous "golden mile" stretch of promenade.

Continued pressure for inquiries into the alleged corrupt activities was maintained by two Labour MPs, Mr George Rodgers (Chorley) and Mr Ronald Atkins (Preston North) and the matter was consistently publicised by the *Lancashire Evening Post*, three of whose senior staff earned journalist of the Year awards for their campaigning work on the issue.

At one stage, the Lancashire police committee unsuccessfully sought the Attorney General's permission to prosecute them under the Official Secrets Act. Councillor Tom Percival, leader of the Conservative-controlled Blackpool Borough Council, said yesterday: "This means that finally a cloud of suspicion and rumoured allegation, which has soured public life in Blackpool for the past 31 years, has been lifted. My only regret is that the ratepayers and taxpayers will have to meet the huge expense of the lengthy inquiries."

## Clash over minister's refusal to give facts

By Peter Hennessy

The Commons Select Committee on Education, Science and the Arts is attempting to take the refusal of Mr Mark Carlisle, Secretary of State for Education and Science, to provide it with information on interdepartmental Whitehall consultations on the level of overseas students' fees to the floor of the House of Commons.

In what could become the first substantial clash of will between the 12 new departmental select committees, established late autumn, and the Government, the education committee is basing its case on the 1978 report of the Select Committee on Procedures, which sired the reformed Commons committee structure. The Procedure Committee recommended that:

Select committees should regard any refusal by government departments to provide information relating to departmental or interdepartmental organization—unless fully explained and justified to their satisfaction—as a matter of serious concern which should be brought to the attention of the House.

Mr Christopher Price, Labour MP for Lewisham, West, chairman of the education committee, said yesterday: "Overseas students are dealt with by a number of different government departments. Parliament cannot scrutinize decisions taken by them unless they have some information about interdepartmental consultations."

"We received none but were told by Mark Carlisle that this is a matter for the House to decide... we very much hope that the House will now tell the Government to change its mind over the issue."

In a special report published yesterday on "the provision of information by government departments to select committees", the committee said it was not alone among select committees in experiencing difficulties with departments.

## MPs criticize policy on foreign students

By Diana Geddes

Criticism of the failure of successive governments to formulate a coherent policy on overseas students' affairs, and of the lack of accurate information on which to base such a policy, is contained in two Commons select committee reports, published yesterday.

Both the Committee on Education, Science and the Arts and the overseas development subcommittee of the Foreign Affairs Committee call on the Government urgently to collect up-to-date statistics on the distribution of such students in Britain, by countries of origin, financial means, and the lengths, levels and subjects of their courses.

Neither committee comments directly on the Government's decision to charge full-cost fees to overseas students, but both strongly criticize the way in which that decision was reached and the lack of consultation that preceded it.

"We have received no evidence that the overseas implications of the decision were given even cursory examination before the decision was taken," the foreign affairs subcommittee says.

"Drastic pruning of public expenditure should not be an occasion for a drastic decline in the quality of decision-making," it adds. Both select committees have a Conservative majority.

The subcommittee is thoroughly sceptical about the Government's calculations of the £106m "subsidy" for overseas students, which it believes is a serious overstatement of the actual economic cost. It questions why such a figure was given to the Commons.

"Does this arise from bad advice? Or does it arise from a deliberate attempt to present the issue in a manner calculated to win political support for an ill-considered and hasty judgment?", it asks.

Recent research shows that the number of students from middle-income countries was rising rapidly, while that from poorer countries has been declining for several years. It

would be astonishing if that trend was not accelerated by the Government's policy, it says.

It finds it "paradoxical" that the Government will "continue subsidizing EEC students, among the richest in the world, yet refuses to modify its fees policy in favour of the poorest and least privileged."

The subcommittee recommends a substantial increase in the overseas aid budget to provide bursaries for students from poor countries, the Commonwealth or dependent territories with few higher education institutions.

It urges that "full-cost" fees should not be charged to overseas students on technical and craft courses, or to students already in Britain who are preparing for entry to higher education. It does not estimate the cost of its proposals.

The education committee urges a bursary scheme for non-sponsored overseas students, particularly from the Third World, financed from private sources and the Government.

The scheme would be administered by an independent body representing academic, industrial, overseas development, research and government interests.

Bursaries should be awarded to encourage outstanding students to study in Britain; to maintain courses vital to British industry and commerce; to relieve acute financial distress, particularly among refugee students; and to support Commonwealth interests.

Mr David Aaronovitch, president-elect of the National Union of Students, described his reports as "damning indictments of the planning and decision-making methods employed by all Government departments involved with overseas students", but complained that they failed to offer any proper guidance on future policy.

First report from the Education, Science and Arts Committee. Commons 552 (Stationery Office, 2p). Third report from the Foreign Affairs Committee. House of Commons 553 (Stationery Office, not yet publicly available).

## Pay deal may lead county to cut 139 teaching jobs

By Our Education

Correspondent

Hertfordshire is proposing to cut an extra 139 teaching jobs to make the savings required to meet the recent comparability pay awards for teachers and local government staff.

The county council agreed yesterday to cut a further £2.8m from this year's budget, the sum equal to the council's 20 per cent underestimate of the size of the Clegg comparability awards. Of that amount, £2.1m will fall on the education budget.

Education in Hertfordshire has already had to face cuts this year of £7.26m in a budget of £159m. The education committee's finance and administration subcommittee is now recommending that there should be a reduction in the teaching force of 139 in addition to the 130 already proposed.

The total loss of 269 teaching jobs will not only abolish the margin allowed to cope with the difficulties of falling pupil rolls, but will also mean a slight deterioration in the teacher-pupil ratio. The Hertfordshire Association of the National Union of Teachers is

to ballot its members on whether they wish to refuse to cover for absent colleagues in protest.

Teachers in England and Wales may still not get their 18 per cent Clegg award, however. It has been agreed by the employers and the unions on the Teachers' Committee, the national negotiating body, but Mr John Wordie, the committee's independent chairman, has said that he will not send the agreement to Mr Mark Carlisle, Secretary of State for Education, until a few days.

It would normally be submitted as soon as possible to Mr Carlisle so that he could seek the necessary order from Parliament to implement the award. Once agreed by the Burnham Committee, Mr Carlisle has no option but to implement the award in full.

The employers are to meet tomorrow to decide what to do about teachers' pay in the light of the Clegg commission's admitted 20 per cent error in its calculations and of the commission's alleged second error which is said to cancel out the effects of the first. The commission denies the second error.

## Police were hitting anyone, Blair Peach witness alleges

Police at last year's Southall riot started hitting "just about anybody who came to be there", it was claimed at the Blair Peach inquest yesterday.

Mr Jostina Chona told the inquest, that children were being hit at the same time. Mr Chona, of Herbert Road, Southall, had told the jury there was a lot of shouting at the anti-National Front demonstration which preceded the riot in April last year; but it was quite peaceful.

Then there was "hustling and

pushing" by police. Two police vans went down the road and he noticed a number of policemen on foot as well.

"They started hitting just anyone who came to be there," he said. He also saw a group of four or five people standing in a corner. One of them was hit on the head and was almost on his knees.

"I went into my friend's house—my wife and child were already there—and later I saw some people trying to offer a cup of water to a man," Mr Chona said.

## Training to detect child abuse urged in schools

A working party report says that many teachers are not sufficiently trained in recognizing cases of child abuse. It recommends that teachers and other staff working in schools, such as secretaries, should be trained in this field.

The report was compiled by a five-member panel set up by the National Association of Chief Education Social Workers, and was presented at an annual conference at Llandudno.

Mr Alan Chandler, divisional education welfare officer of the Inner London Education Authority, and convenor of the panel, told the conference that the first clue to child abuse could be as simple as a youngster asking a school secretary for a bandage.

He said the report, compiled from answers to questionnaires sent to 122 education authorities in England, Wales and Northern Ireland suggested that between 20 and 25 per cent of the country appeared to have no formal staff training in recognition of non-accidental injury to children.

The report recommends that the Government examines the adequacy of this kind of teacher training.

He and others helped the man, who was in pain, into a house. "I tried to ask him some questions, but he could not say a word, so I rang for the ambulance."

A woman wrote down the man's name and address, and Mr Chona said he was a teacher. Mr Chona said he was unable to describe the police officer who hit the man because he had his back to him, and he was unable to describe his uniform.

Mr Peach, aged 33, a teacher from New Zealand, died from

## A quarter of soil samples found to contain infection which might cause epilepsy or blindness

## Dogs in parks are a danger to health, professor says

By Hugh Clayton

Dogs should be banned from public play areas, Professor Alan Woodruff told a health conference in London yesterday. There was a "real and growing problem" of infection from dogs, which was associated with the onset of conditions such as epilepsy and blindness in humans, he said.

Professor Woodruff, Wellcome Professor of Clinical Tropical Medicine at the London School of Hygiene and Tropical Medicine, said: "It should be an offence to take dogs to play in children's sand

plugs and other areas of public parks where children are liable to pick up infection."

The professor's school is the national reference centre for the investigation of the incidence and effect on humans of toxoplasma, an infection transmitted by organisms in the droppings of dogs and cats. Professor Woodruff was speaking at a meeting organized by the Environmental Health Officers' Association and The Society of Community Medicine.

He called for a higher dog licence fee to pay for more local council dog wardens. He also wanted more education about

the dangers, and showed a slide of a photograph from *The Times* of children fondling dogs. "A picture of this sort is no more acceptable than a picture of children smoking," he said.

"We have, I think, a long way to go if we are to make the public conscious of the dangers they are exposed to. Studies done by any reputable parasitologist have all shown prevalence rates very comparable with what we have found."

Infection had been found in almost a quarter of 800 soil samples taken from all over Britain; 14 specimens of soil from a school playing field

near London had produced two with the infection.

"There can be no doubt that the infection that is prevalent in the environment is capable of causing infection in animals and man."

"There is support for the view that epilepsy is in some cases produced by toxical invasion of the brain," he continued. "Among epileptic patients we studied only half gave evidence of ever having a dog or a cat." Those without known contacts with such pets might have been affected by the condition on parks.

Mr Harold Mitchell, City

Environmental Officer, Birmingham, said that the threat was recurrent. "The estimated 50 dogs in Britain," he said, "den who is appointed local authority has no power even to obtain the address of the owner of which is fouling the dog."

"If we look at the dogs in food shops, certainly a nettle that is a nuisance to the public, there is always a danger of what you do with dogs for blind people."



Good Friday (centre), a healthy bull calf born on April 4, has ended fears for survival of the Chillingham wild white breed. Magnesium deficiency reduced the Northumberland herd to 42.

## Multi-organ donor cards announced as campaign for more kidneys is started

By Frances Gibb

A multi-organ donor card which enables the carrier to give permission for organs such as eyes and heart, as well as kidneys, to be removed after death was announced by Dr Gerard Vaughan, Minister for Health, yesterday.

He also launched a new kidney card campaign, backed by Anna Ford, the ITN newsreader and Kevin Keegan, the footballer, to encourage more people to carry kidney donor cards.

The present kidney donor card made of plastic is to be replaced by a credit card, intended to be more convenient to carry.

Miss Ford said: "I welcome the use of the words on the card—I would like to help someone to live after my death—because there has been misunderstanding about this. Some people thought if they carried a card, someone would come to take a kidney while they were alive."

Eventually the new kidney card will be replaced by the multi-organ card, to be issued in about six weeks. These say that the carrier gives permission that on death, kidneys, eyes, heart, liver, pituitary gland and pancreas may be used for medical purposes. The carrier should delete any organ on the list.

The new cards do not require the signature and address of the donor's next of kin. They simply give a name and address of someone who, if possible, should be contacted in the event of death.

Mr Anthony Barnes, a consultant surgeon at Queen Elizabeth Hospital, Birmingham, said that under the Health Tissue Act, 1961, it was not necessary for relations to be asked if an organ was going to be removed from a carrier. But as a matter of courtesy surgeons always tried to do so.

The new cards would remove people's fear that organs would be wanted in their lifetime, he said. The other fear people had was that if they carried a card, surgeons would not strive to keep them alive.

That is never the case. Organs would be no use if the patient had not been given all the possible treatment up until their death. There are always two doctors to certify death, and this is always done somewhere open, like the intensive care unit; it cannot be carried on behind closed doors."

The availability of the cards, obtainable from doctors' waiting rooms and hospitals, was criticized by Mrs Elizabeth Ward, president of the British Kidney Patients' Association. A Gallup poll has shown that 67 per cent of adults would be prepared to carry a card.

The Post Office would only make space available for card containers at a cost of £168,000 for the first year and £60,000 in subsequent years, she said. The Department of Health and Social Security had said it could not afford that. The Post Office could not allow the cards to be available free of charge because it argued that space was money.

Mr Barnes said that at present about 2,500 more kidneys were needed.

## Lords ask for stricter animal test controls

By George Clark

Political Correspondent

Animals should be used for scientific tests and experiments only when there is no practicable alternative, and strict statutory control should be imposed over any procedure which causes more than trivial pain.

That is the underlying theme of the amendments which a House of Lords select committee on animal experiments proposed yesterday should be made to the Laboratory Animals Protection Bill, which is being drawn up by the Council of Europe. That could delay legislation for one or two years.

The Lords committee proposes that there should be continuous review by an independent statutory committee of the Bill, to which animals are put. The body should be empowered to consider the ethical issues, acting as the public's watchdog and publishing its reports. Persons carrying out experiments would be required to observe a code of practice.

As in the House of Commons, where the Animals (Scientific Purposes) Bill, introduced by Mr Peter Fry, Conservative MP for Wallingborough, resumes its stormy committee stage today, powerful lobbying groups have brought their influence to bear on the Lords select committee, under the chairmanship of Lord Ashby.

Because of printing difficulties, the full report of the committee was not available. But the proposed amendments and a covering explanatory note gave a summary of the committee's conclusions.

Considering that modern biology has overtaken the terms of the Cruelty to Animals Act, 1876, members in both the Lords and Commons have agreed that reform is necessary, but the Government prefers to await the European Convention on animal welfare, which is being drawn up by the Council of Europe. That could delay legislation for one or two years.

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## ITV to defy Derby Day broadcast warning

By a Staff Reporter

Independent Television Sport

yesterday expressed its determination to go ahead with televising the Derby on June 4 in spite of a warning from the Office of Fair Trading that its race meetings to other stations is illegal.

The agreement, signed in February, is a £2m exclusive deal covering Epsom, Sandown Park and Kempton Park. But the Office of Fair Trading says it was not told about the agreement, which was not entered on the Restrictive Trade Practices Register.

Representing all three parties are examining the agreement. The Office of Fair Trading pointed out that it was concerned about restrictions in the agreement covering advertising and the networking of race meetings to other stations.

"Our lawyers are all getting together to see what these restrictions are and whether the independent companies intend to go ahead or whether they will look again at the agreement and resubmit it," Independent Television Sport

said in a statement: "IT is a television station, not a television company, and we are not in the Derby; and have no such restrictive counsel's opinion the OFT is not able to prevent us from the Derby."

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## Cuts by English National Opera despite £4m grant

By Martin Huckerby

Music Reporter

The English National Opera is likely to receive a grant of almost £4m from the Arts Council for the new financial year, but the company said that represented an increase of less than 10 per cent for its work.

It has already dropped one of the six new productions planned for the 1980-81 season. Delius's rarely-seen opera, *Koanga*, which was due to be presented next February, with Sir Charles Groves conducting, will not be seen.

Opera-goers will also be affected by the shortage of funds. As already announced, seat prices are being raised by 30 per cent from the 1979-80 level.

Lord Harewood, managing director of the English National Opera, told the company recently that because of the grant, various cuts would have to go.

The Arts Council first expected to be £3.9m, excluding money for 1979-80. That is a 9.2 per cent increase on the funds allocated last year, but the company's operations are still in the red.

An £800,000 grant has been offered by the Greater London Council, which is 14.3 per cent more than in 1979-80; but overall effect is that the company is receiving only 1.1 per cent more public support last year, and inflation, which such an increase is not sufficient to meet higher costs.

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## Threat to British Library

By a Staff Reporter

Services provided by the British Library will deteriorate substantially and rapidly unless a decision is taken quickly to proceed with the first phase of the new building for the library, the Commons Select Committee on Education, Science and the Arts said in a report published yesterday.

The committee said that the evidence submitted to it suggested convincingly that continued delay by successive governments in reaching a decision on the proposed building at St Pancras, London, was likely to be increasingly harmful to the service.

Second Report from the Education, Science and Arts Committee. Commons 554 (Stationery Office, 2p).

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# Prudential

**You don't know the half of it.**

## OVERSEAS

# Israeli judges order the Government to justify expelling Arabs

From Christopher Walker  
Jerusalem, May 20

Lawyers acting for Arabs from the occupied West Bank have begun an intensive legal campaign to force the Israeli Government to justify the harsh punishments meted out in its efforts to suppress Palestinian unrest.

They succeeded today in persuading three judges in the High Court to issue an interim injunction. The order gives the Government 45 days to state why three prominent Arabs deported to Lebanon earlier this month should not be allowed to return to their homes on the ground they were refused the opportunity to appeal.

The three men are Mr. Muhammad Milhem, Mayor of Hebron, Mr. Fakhri al-Rajab, Mayor of Hebron, and Sheikh Rajib Tamini, an Islamic judge. All three were flown by helicopter to Lebanon not long after a Palestinian ambush in Hebron which killed six Jewish settlers. The punishment was imposed last week because the youngest member of the Shumali family, who are Christians, was suspected of throwing a stone.

In a strongly-worded petition to the High Court, Mrs. Felicia Langer, the family's Jewish lawyer, argued that the banishment contravened both international law and the British-drafted Defence (Emergency) Regulations of 1945, under which it was carried out.

In presenting her petition to a single judge, Mrs. Langer claimed that conditions in the desert camp in Jericho were not fit for humans, let alone humans, and argued against the legality of such a collective punishment. The case has been referred to a hearing by three judges, which is expected to take place in Jerusalem next week.

Today's interim injunction against the Government was seen in political circles as a setback for the military authorities, which have ordered a new policy of harsh measures

throughout the occupied West Bank.

The presiding judge, Justice Haim Cohen, expressed "astonishment" that the legal principle of advising the three deportees of their right to appeal had been ignored.

Justice Cohen noted that this principle had first been laid down by the Israeli Supreme Court 32 years ago, when it ruled that expulsions could not be implemented if the Appeals Committee was not functioning. He agreed that the massacre in Hebron had been "ugly, brutal and traumatic", but he argued that this did not justify denying the men their legal right of appeal.

During the hearing, Mr. Gabriel Bach, the State Attorney, argued that the expulsion of the Arabs without the opportunity of appeal could be explained by immediate security needs. However, he conceded that the law had to be respected, and in consequence the lessons of the expulsion and the shortcomings disclosed by it would be examined.

Mr. Bach argued that the public declarations of the mayors had served to undermine security in the West Bank and that they supported the illegal aims of the Palestine Liberation Organisation.

Lawyers for the mayors submitted affidavits, including one from Mr. Haim Bar-Lev, secretary of the opposition Labour Party, and another from a reserve general in the Israeli Army, saying that they did not believe the mayors were Palestinian extremists.

The final outcome of the proceedings will not be known until the 45-day period is up, but the decision is seen as already comparing its significance to the case last year in which Arab landowners appealed successfully to the Supreme Court against the establishment of a Jewish settlement on the biblical site of Elon Moreh.

# Thatcher volte-face has MPs at loss for words

By Hugh Noyes  
Parliamentary Correspondent,  
Westminster

For a few brief minutes yesterday the House of Commons witnessed a new form of muscle used to successfully on Monday to force the Government to reverse within hours its decision to introduce retroactive economic sanctions against Iran.

Indeed what was regarded yesterday as the quickest about-turn in recent political history seemed to have taken the House so much by surprise that MPs were almost at a loss for words, and the three-hour emergency debate on the sanctions issue was concluded in about half an hour.

But not before Mr. Tam Dalyell, Labour MP for West Lothian, and the hero of the hour, whose request for the debate had been rejected, and in consequence the lessons of the expulsion and the shortcomings disclosed by it would be examined.

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Sir Ian Gilmour, the Lord Privy Seal, who only 24 hours before was telling everyone how important it was to act in concert with our partners in Europe, and how great plans were afoot to coordinate the retroactive sanctions, was now assuring the House that all such thoughts by the Government had been abandoned.

He even promised Mr. Peter Shore, Opposition spokesman on foreign affairs, that although there would now be no retro-action, he would think again about the procedure for introducing order under the Import, Export and Customs (Defence) Act 1939 to allow a debate in the House before any such order came into operation.

The revolt by MPs came when it was learnt that retroactive sanctions were to be introduced by order under powers given in the 1939 Act and that the order would be debated in Parliament only after the sanctions had begun to bite.

Sir Ian said the Government had not yet been informed of the reaction of Britain's Community partners to the sudden volte-face. They had been told of the new situation only last night, but he accepted the need for coordination and for moving at the same pace and along the same path.

Lord Carrington, the Foreign Secretary, giving the reversal message to the House of Lords, said that a meeting was being urgently called in Brussels of the permanent representatives, not a Council meeting, to coordinate sanctions that would now need to be readjusted. He shared the concern of others in the House about the effect the decision might have on the United States.

I was important, Lord Carrington said, that our allies should realise the situation in which the Government found itself. He was sure that Mr

Edmund Muskie, the United States Secretary of State, would understand the situation of a Government which relied on Parliament for its support.

He added that the Government knew of only one large contract signed between November 4 and today, although there might be a number of smaller ones.

In the Commons, Sir Ian pointed out that although the Government realised that sanctions were of limited value it continued to believe that the policy of applying them was right, to show solidarity with the United States, Britain's friend and ally, and with the limited objective of securing the release of the hostages. The Government would continue to work for the release of the hostages through quiet diplomacy and insistent persuasion.

Mr. Shore reminded the House that Ministers would be profoundly mistaken if they thought in their dealings with

other countries that they were free agents who could yield to the pressure of other nations and just assume the consent of the House of Commons. That was important in Britain's relations with the United States and the EEC.

Doubt over date: The Iran sanctions about-turn yesterday led to some doubt whether a first enforcement order could be laid by the agreed day tomorrow. (Our Political Editor writes).

As matters stand, European sanctions would affect contracts struck with Iran back to last November; but British sanctions would only affect contracts entered into after whatever date an Order was laid before Parliament.

Parliament rises for the Whit sun recess on Friday, but orders can be laid when the House is not sitting. They have immediate effect but can be reversed on a vote within 28 sitting days.

# EEC likely to follow Britain on sanctions

From Michael Hornsby  
Brussels, May 20

The surprise decision by Margaret Thatcher, threat of a Conservative not to implement trade sanctions against Iran means most other member states now, quietly decide to suit.

The result will be to the sanctions decision, last weekend by EEC ministers in Naples, was convincing that it was a gesture of political, psychological support for President Carter in his effort to free the American hostages in Tehran.

Trade and legal experts in the Community will be struck by the new decision. But there seems little that other member states now feel absolved from original joint agreement to backdate sanctions to November 4, 1979.

The irony of it is the economic impact of sanctions would be much less, whether retroactive or Dutch officials estimate even backdated sanctions would block more than 8 per cent of the volume of trade between the EEC and Iran, which was estimated to be about £220m a month.

While it is surely as for a peer of the realm reminded from time to time the consequences of such a decision, there is no doubt that Carrington, the Foreign Secretary, has been made to uncommonly foolish. His may henceforth carry weight in the EEC's council.

It is no less embarrassing Mrs. Thatcher, who has less than trumped the need for solidarity with the United States and other national issues, than the fact that the only EEC leader to deliver the goods was the one to put it.

As one German official put it, not without some irony, "Frankly this is typical British behaviour: all a lot of big talk and very little action." Other countries have been equally flattered.

Before the Naples Foreign Office official pointed out that Britain had all the legal machinery necessary to impose trade sanctions on Iran, as the only reason for the EEC not taking such would be the inability of EEC partners to go as far.

In fairness, however, it is said that no one can be of the affair with much. The truth is that the scheme was grossly and badly planned, and it is EEC under American pressure was ill-considered and prepared from the outset.

The general view in the was that sanctions would work economically, and e they did would hurt the money more than Iran. It was a mistake to think it was effective in freeing American hostages. But British and German pressure and other member were won round.

The clinching argument apparently was that a European support would be the danger of America's being a unilateral force in the hostages issue. Within of the original EEC decision, President Carter made aborted rescue mission.

# Hostages issue is barred for UN envoy

Tehran, May 20.—Iran said today that a United Nations envoy coming to Tehran to meet Iranian officials could not talk about the release of the 53 American hostages.

Mr. Sadegh Ozbazdeh, the Iranian Foreign Minister, who is now in Islamabad, restricted the role of the envoy in a letter sent to Dr. Kuri Waldheim, the United Nations Secretary-General, and published by Pars News Agency.

An earlier Foreign Ministry statement denounced reports of a deal for a three-phase release of the hostages and reiterated that the fate of the captives still had to be decided by the Iranian Parliament, which would convene on June 28.

The announcement of Mr. Ozbazdeh's letter came after reports from New York that Dr. Waldheim was sending Mr. Habib Daoudy, a Syrian lawyer, to Tehran with instructions to explore the hostage issue as well.

The letter said that Mr. Daoudy could only "complete the previous investigation" into the alleged crimes of the deposed Shah.—UPI.

# British businessman found guilty by Lebanese court

From Robert Fisk  
Beirut, May 20

Handcuffed to another prisoner and guarded by three militiamen armed with automatic rifles, Mr. Peter Sainsbury, the British businessman who has been imprisoned in Lebanon for two and a half years, was found guilty of bank irregularities by a Lebanese court this morning.

He was given a two-year sentence and fined \$80,000. In a separate ruling the court decided that he was liable to pay part of an \$800,000 reimbursement, the Lebanese Bank which brought charges against him in the first place.

In theory, Mr. Sainsbury is probably free to leave for London tomorrow, since he has already served his sentence. But the bank may try to ensure his presence for further hearings on the reimbursement.

Neither the court nor the British Embassy seemed certain of Mr. Sainsbury's exact legal status. He says he wants to stay in Lebanon to appeal against the judgment, although the Lebanese authorities may not permit this.

Mr. Sainsbury, who is 37 and comes from Hereford, came to Lebanon in 1976 as director of the London-based Farm Fund Securities Company to confirm a deal with the Banque Libanoise Economique Libanaise. The bank subsequently claimed that he and four associates had committed irregularities against it totalling about \$800,000.

Mr. Sainsbury was arrested in 1977, but was in prison for more than two years because of the chaos after the Lebanese civil war.

Indeed, this morning's hearing at the Beirut Palais de Justice said almost as much about post-war Lebanon as about Mr. Sainsbury's case. The court



A woman taunts tired-looking National Guardsmen outside a Miami shopping centre which was looted.

# India awaits outcome of Islamic talks

From Kuldip Nayyar  
Delhi, May 20

India is in favour of Pakistan holding talks with Afghanistan, which is seeking guarantees against foreign interference before asking the Russian troops to withdraw. However, Pakistan is opposed to holding any talks before the withdrawal of Russian troops from Afghanistan.

In an attempt to find a possible middle way, Mr. R. D. Sathe, the Indian Foreign Secretary, went to Kabul, Delhi is now awaiting the outcome of the Islamic conference which in its last meeting had asked all its members not to have any dealings with Afghanistan until Russian troops were withdrawn.

Mr. Sathe, who returned from Kabul yesterday, said he did not think Pakistan had rejected Kabul's recent proposals outright. He felt that the fact that the process of making proposals had started was "important".

The Indian Government is considering a proposal for a regional summit for cooperation as suggested by President Zia ul-Rahman of Bangladesh, an official Ministry spokesman said today.

The President had sent a letter in this context to Mrs. Indira Gandhi, the Prime Minister, when Bangladesh attended the Joint Rivers Commission work on this year's likely surplus of an agitation over the banishment of infiltrators from Bangladesh and Nepal, three people have died after violence in the rural areas.

# Uranium find in Egypt

Cairo, May 20.—A 5,000-tonne uranium deposit has been discovered in Upper Egypt, near the Red Sea, according to the Middle East News Agency.

He made clear it would be for the committee of three members, to be set up directly to the benefit from the financial assistance.

The significance of these

# Saudi Arabia contributes \$25m to Afghan insurgents

From Richard Wigg  
Islamabad, May 20.—A cheque for \$25m (£10.8m) from the Saudi Arabian government to help Afghan insurgents opposing the Communist regime in Kabul has been received by the 40-nation Islamic Conference, a meeting of the conference's foreign ministers was told here today.

The Ministers also heard from the spokesman of an alliance representing Afghan Mujahidin (combatants in a holy war) fighting the Soviet forces in their homeland and admitted to the conference when the ministers began discussing possible fresh initiatives to resolve the Afghan crisis by political means.

Professor Abdul Rasul Saiyaf, who addressed the political committee today on behalf of the Islamic Alliance for the Liberation of Afghanistan, immediately called a press conference afterwards to insist that their organizations had not received anything from the Islamic Conference committee since January.

Appearing with nine other Islamic fundamentalist emigre leaders he bitterly criticized the conference for not having admitted them as the representative of Afghanistan, only as representatives of the Mujahidin.

Addressing the foreign ministers, Professor Saiyaf demanded that the Islamic Conference governments should now break all diplomatic and economic ties with the Soviet Union "until the last Soviet soldier has left Afghanistan".

At this point Mr. Kacem Zuhri, the spokesman, added that it was also for the Afghan refugees.

He made clear it would be for the committee of three members, to be set up directly to the benefit from the financial assistance.

The significance of these

# Egypt sets terms for resumption of autonomy talks

Cairo, May 20.—Egypt is prepared to resume the Palestinian autonomy negotiations with Israel provided all issues and differences—meaning Jerusalem—are placed on the negotiating table, Mr. Kamal Hassan Ali, the Foreign Minister, said today.

He emphasized that Egypt would not accept any preconditions. A new date for the negotiations will be set Mr. Ali said, following a meeting in Washington tomorrow between Mr. Mustafa Khalil, Egypt's outgoing Prime Minister, and Mr. Sol Linowitz, President Carter's special envoy to the Middle East.

Mr. Ali made the announcement to reporters after conferring with the Israeli Ambassador, Mr. Elihu Ben-Elissar, who gave him a letter from Mr. Menachem Begin, the Israeli Prime Minister, to President Sadat.

"The reasons which made Egypt break off the negotiations are good reasons and remain good reasons, and they do not prevent (further) negotiations," Mr. Ali said.

"Our position is to reject any preconditions," he said. "But it is understood that all differences, whatever they are, will be placed on the negotiating table."—UPI.

# Guard on Mr Binaisa stays

From Our Correspondent  
Nairobi, May 20

Mr. Godfrey Binaisa, who was unseated as President of Uganda last week, is likely to continue under Tanzanian guard in Uganda until a new government there is formed after parliamentary elections in several months' time, political sources report.

Tanzania has rejected proposals from the new government in Uganda that Mr. Binaisa be arraigned on criminal charges of corruption. At his disposal, therefore, is a decision by the democratic government which emerges after the elections later this year, he insisted.

Chairman of the Ugandan military commission is understood to have proposed Mr. Binaisa's arrest—but President Nyerere refused to agree. The Tanzanians, however, are taking no to allow Mr. Binaisa to leave Uganda until a new democratic government is elected.

President Nyerere apparently said that he would not allow Mr. Binaisa to leave Uganda until a new democratic government is elected. The fact that corruption and evasion of the law is so widespread in Uganda is a decision by the democratic government which emerges after the elections later this year, he insisted.

The attitudes are part of a wide and openly conducted debate on the development of society, a discussion assuming increasing importance as Saudi Arabia looks at the five years of prosperity. Its focus is on the development of a sense of citizenship, a code word that embraces cutting subsidies on internal flights, electricity, education and perquisites for young people, who have come to believe that the Government owes them a living to take up productive labour.

The third five-year plan, to be published this month, and understood to contain provisions for giving a national anthem in schools after lessons, in development and for greatly expanding technical training, is likely to show victory in the debate for the radicals of social development: a persuasion whose spokesman is Sheikh Hisham Nazer, the Minister of Planning, whom it would be misleading to describe as in favour of Westernization.

But many fear that to take that direction is to depart from the foundations of Saudi society. The Saudi Government is still tribal, owing allegiance to a great clan, and rewarding its supporters with a modern extension of buying loyalty, an array of soft loans,

# Prices fluctuate at US sale of Renaissance art

From Geraldine Norman  
Sale Room Correspondent  
New York, May 20

The collection of medieval and Renaissance works of art amassed by the late George R. Hana in the pre-war era, when such items were high fashion in America, was auctioned by Christie's today at the country residence outside Pittsburgh for a total of \$1,060,720 (\$465,228).

Only one lot was unsold. The prices were erratic, largely reflecting which European dealers had made the pilgrimage to Pittsburgh. Mr. Jack Bernotas, a London dealer, paid \$140,000 (estimate \$20,000 to \$30,000) for a Nillefleur tapestry of about 1400 with exotic animals against a dense floral background.

In contrast, French dealers failed to turn up for French limoncello carvings, mainly of the fifteenth century, brought rather low prices. The late fifteenth century retablo with Gothic tracery and pillars dividing attendant saints from a central Crucifixion scene made \$58,000 (estimate \$50,000-\$70,000).

A German dealer secured a Burgundian coloured limestone figure of St Barbara at \$40,000 (estimated \$40,000-\$60,000). A Burgundian figure of an abbot, without colour, fetched \$3,500 (estimate \$15,000-\$20,000).

The limestone were of a quality which the French museums will no longer permit to be exported from France. The sale offered a rare opportunity, but it did not stop competitive bidding.

A sale of twentieth century photographs at Sotheby Parke Bernet in New York yesterday made \$300,000, with 46 out of the 270 lots unsold.

The top price for a single image was \$100,000 (estimate \$7,000-\$10,000) for a portrait, Eleonora Duse by Edward Steichen, one of his rare and sought-after pigment prints and an elaborate photographic process.

The reverse of the print records in Steichen's own hand that its price in 1904 was \$50,000.

# Contradictions in the complexion of Saudi way of life

Timothy Siskley examines social development in Saudi Arabia in the third of a five-part series.

At a dinner given by a Western family in Jiddah for Christmas, a young Harvard-educated Saudi, the son of a prominent merchant house, scowls his disapproval of his meek wife trying the brandy butter. She, 21 and expecting her fourth child, looks at his glass of wine and ignores him. At home the women of the family are forbidden the compound swimming pool and tennis courts lest the servants see.

There are a good deal of contradictions in the social complexion of Saudi Arabia. It is a tribute to the strength of tradition and to the pull of the extended family that life appears to outsiders to continue in placid, pious contentment.

Christian foreigners in the Kingdom frequently pass their two years of contract without being invited into a Saudi house or meeting a Saudi woman. The high walls of royal or merchant compounds and the frosted glass that in modern villas imitates the serena green of laced wood. Mashrabiya are as much literary as figurative. Equally, Saudis told every Friday in the mosque that the West brings nothing but corruption shun their guests. For

their sons, hospitality learnt at universities in California wears off quickly.

The value set upon privacy has insulated the Saudi from the East and West that one might expect. At the same time, an insistence on public piety provides a discipline of tradition that gives him a moral defence in the amount of faith. The situation makes for intolerance and arrogance, but it also provides security. Saudis are naturally discriminating about what they take from us; electricity is illegal but freely available, but even a heavy driver will show no sympathy with commoners arrested for public drunkenness.

That said, it should be pointed out that Saudi society has not yet been put to the test. Money has brought self-discipline, but with little increase in budgeted spending for the next five years, although high in anyone's else's terms, there must be some questions about whether the strains will start to tell.

There is already a perceptible nostalgia for earlier simplicities; press comments recall the days when no one needed papers to prove honourably decent; it is conventional wisdom that foreigners challenge the Saudi way of life.

The attitudes are part of a wide and openly conducted debate on the development of society, a discussion assuming increasing importance as Saudi Arabia looks at the five years of prosperity. Its focus is on the development of a sense of citizenship, a code word that embraces cutting subsidies on internal flights, electricity, education and perquisites for young people, who have come to believe that the Government owes them a living to take up productive labour.

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But many fear that to take that direction is to depart from the foundations of Saudi society. The Saudi Government is still tribal, owing allegiance to a great clan, and rewarding its supporters with a modern extension of buying loyalty, an array of soft loans,

free services and subsidies, making an effective if erratic welfare state. If the Government is rich, Saudis expect a direct share in its riches, and everyone has a calculator to work out this year's likely surplus of more than \$30,000m (about £13,155m).

The same debate has a more bitter undercurrent in discussion of the role of women. The radicals, who include most educated women, argue for their playing their part in development; the reactionaries for the traditional seclusion and frequent motherhood. It is a dispute in which there is little rationality; notions of tradition and religion are hopelessly confused. So far the reactionaries have made all the running, probably because the Government would rather play it safe.

In Western terms, women have few rights. They may only work in teaching, medicine or social work, they may only travel accompanied by a close male relative with the traditional right of seeing them unveiled, and although Islam grants them control of their money, they may not manage the businesses they own. As good as all marriages are arranged, usually with cousins, inflation has pushed bride-prices as high as £15,000, and there are horror

stories of daughters going to the highest bidder.

Defenders of the system insist women must be protected in a harsh world, but there is probably more truth revealed in Prince Muhammad's illegal exorcism of his granddaughter Mishal bint Fahd for her trying to break free, the subject of the film *Death of a Princess*.

Educated Hijazi women certainly feel frustration at their state. Their suspicion for none is relieved by frequent long visits to Europe and the United States. The religious among them, and by and large they are more pious than their menfolk, find little justification for their position in Islam. With that, they see Western men deferring to their wives in the suit.

There are signs of their slow liberation. This year several banks have opened segregated women's branches, a clear step on the road to greater economic independence, and the third development plan will allow wider opportunities for employment. Although the veil is not taken as a symbol but rather a tiresome piece of clothing, few younger women in Jiddah cover their faces outside the souq. Twenty years ago zealous stoned girls for going to school; so far change has been accommodated.

Next: Foreigners' role

# Senor Belaunde begins selecting Cabinet in Peru

Lima, May 20.—President-elect Fernando Belaunde Terry, returned to power in Peru's first general election for 17 years, today begins selecting a Cabinet to replace the military government that has ruled since 1968.

Senor Belaunde, who is 63, said the military would respect the results of yesterday's poll and return to barracks on July 28, Independence Day.

In an apparent effort to win the good will of the armed forces, Senor Belaunde is expected to name high-ranking officers as Army, Navy and Air Force Ministers, rather than appoint a civilian Defence Minister.

Sources close to the victorious Popular Action Party said the job of Prime Minister would almost certainly go to Senor Manuel Ulloa, who was Senor Belaunde's Finance Minister at the time of the 1969 Assembly election.

Leading members of the defeated parties would be included in the Cabinet to promote national reconciliation.

Reuter.









ARTS



Cossutta (left) and Renato Bruson in Act II of Otello.

# Iuti fulfills all his Veridian promise

of Europe's most dishevelled film directors are their first shots at stag-  
era this year. Next win-  
ohn Schlesinger, after  
a second thought and  
a postponement, goes to  
Garden for the new  
of Hoffmann. But his  
colleague Miklos  
has got in ahead of him  
directing Verdi's *Otello*,  
has just opened the  
third Maggio Musicale in  
times as less of a surprise  
the name of Jancsó on  
sisters outside the Teatro  
tale than it would on the  
rds of most other opera  
Under the administra-  
Massimo Bogliaccino,  
ce in both its winter and  
er seasons has never been  
an adventurous. Indeed,  
seems to be an outright  
to accept the tried and  
the Teatro Comunale  
employs the directors  
any of its successes full  
ady-to-stage productions  
the operatic circuit.  
ckino is calmly philo-  
about his determination  
house room to the con-  
sial and untested. Accord-  
him it is rather like  
in the hostage-rescuing  
ss: if you succeed you  
a compelling experience  
hero and if you fail you  
cept the villain's role.  
co coincidence that the  
r who has worked most  
tly at the Teatro Com-  
ver the past few seasons  
a Ronconi. He is capable  
ing productions such as  
fo at the 1976 Maggio,  
at other times he seems  
to be determined to  
raspberries at the con-

ventionalists. At the end of the  
*Norma* he directed in Florence  
the shout went up from the  
back of the stalls "Ronconi  
Arno". But he avoided a Fal-  
staffian ducking in that muddy  
river in front of the theatre and  
he returns during the forth-  
coming winter to stage like  
Schlesinger, *The Tales of Hoff-  
mann*.

Part of the audience un-  
doubtedly went to the first  
night of *Otello* expecting to see  
some Ronconian fireworks.  
Jancsó on evidence of his  
films, particularly the earlier  
ones made in Hungary includ-  
ing *The Round-Up*, *The Red and  
the White* and *Silence and Cry*,  
knows something about warfare  
and the military mind. He had  
also directed Shakespeare's  
*Othello* on stage in Venice six  
years ago. In sum, he looked  
a choice that managed to be  
sound and controversial at the  
same time. But the sensation-  
seekers came away disap-  
pointed. The most striking  
element in Jancsó's *Otello* was  
its anarchy.

Jancsó's style has been quite  
literally cramped by the set  
of Enrico Job, who happens to  
be the husband of Line Wert-  
müller, so forging another  
cinematic link. Mr Job has  
strung a series of arcades in  
ruses and thrives across the  
right of the stage; they remain  
there throughout the  
evening. The action is virtually  
confined to the left, where a  
flight of steps leads up to a  
piece of statuary, which is the  
only element to change with  
the acts.

The curtain goes up on the  
dazzling white prow of a ship,  
which is a reasonable enough  
symbol for Act I. The tree

which replaces it for the second  
act is less relevant; the lion,  
which barely has its head in  
the darkness for the most of Act  
III, is obvious; and the Bernini-  
like sheet symbolising Desde-  
mona's bedroom in the final act  
is utterly perverse. The effect  
is deliberately sculptural rather  
than scenic. Job's idea, appar-  
ently, is to suggest the interior  
of a church where the story of  
*Otello* is played out as a rite.  
The only problem with this  
approach is that Verdi  
happened to compose a  
dramatic and passionate opera  
which needs to be played out in  
a theatre. Suffocating Desde-  
mona becomes a little difficult  
when it has to be achieved  
with a piece of monumental  
masonry. It is possible to argue  
that the job approach does at  
least help speed up the scene  
changes, but no-one seemed  
keen to take advantage of this;  
*Otello* was performed with an  
interval, and quite a substantial  
one, after each act.

But even such obstacles could  
not preclude two superlative  
performances, one on stage and  
the other in the pit. Riccardo  
Muti has always promised that  
he would give his first *Otello* at  
the house where he is principal  
conductor, Florence. This was  
the main reason why he did not  
appear at Covent Garden a  
couple of months ago when the  
scheduled *Andrea Chénier* was  
replaced by *Otello*—Chénier  
appears to be under the  
*malocchio* at the moment as La  
Scala's new production last  
night was also cancelled. Muti's  
interpretation of Verdi lived up  
to every expectation: razor-  
sharp in its response to this  
score, vibrant in its sense of  
drama, yet eschewing any

element that has a hint of the  
flashy.

Muti has made one major  
change in the score usually per-  
formed. He has gone back to  
the version Verdi rewrote for  
the Paris premiere, which at the  
end of the third act gives more  
prominence to Iago and de-  
motes the role of the chorus.  
He has not, I am happy to  
report, been tempted by the  
ballet added in for Paris, whose  
main interest lies in the fact  
that it was composed after  
*Falstaff* and so is Verdi's last  
work for the stage. Verdi and  
his librettist Boiti began by  
calling their opera *Iago* until  
Verdi realized that such a  
decision would be perverse.  
There was early talk too of  
treating *Otello* as a domestic  
opera rather than as a big  
choral piece. Certainly Verdi  
was on *fretting* about the  
weight, or lack of it, given to  
Iago, as the letters printed in  
Florence's excellent and schol-  
arly programme demonstrate.

Whether this Paris alternative  
is better than the score usually  
played depends basically on the  
quality of the baritone. No-one  
could have argued it more  
eloquently or more forcefully  
than Renato Bruson in part-  
nership with Muti. Bruson plays  
Iago not as a mad, a slimy thing  
from the dark corners of  
Cyprus, but as a handsome and  
ambitious adversary breathing  
down *Otello's* bull-like neck.  
Iago is the man on his way  
up—he is a good deal younger  
than *Otello* and there is plenty  
of support in Shakespeare for  
this—while the Venetian gen-  
eral is on his way down. The  
middle and upper register of  
Bruson's baritone has a rich,  
burnished tone over which he

exercises total control: the  
"Credo" was not the familiar  
snarling outburst, but some-  
thing much lighter, more subtle  
and hence more dangerous.  
Covent Garden so far has not  
heard Bruson at his best;  
Florence in this *Otello* has.

For the past five years the  
*Otello* of Carlo Cossutta has  
had to live under the shadow  
of Domingo. Cossutta's burly,  
mop-haired Moor, well into  
middle age, brings memories of  
the photograph of Tamagno,  
who created the role, peering  
round the curtain in the last  
act. And Cossutta's voice car-  
ries much of the baritone  
character that Tamagno pos-  
sessed, if existing records are  
to be trusted. Cossutta, spurred  
on no doubt by Muti and  
Bruson, sang well above him-  
self. Renato Scotti, Desdemona  
to Domingo's *Otello* in the RCA  
recording, is now one of the  
world's best Verdi sopranos, as  
regular visitors to the Met in  
New York are well aware. She  
plays Desdemona as almost  
ingenuous, a woman whose  
basic serenity is constantly  
ruffled by fears she does not  
comprehend. Miss Scotti  
throughout sings both sweetly  
and fearlessly.

Much of the exceptional  
musical quality of this Florence  
*Otello* derives, surely, from  
having a totally Italian-speaking  
cast working together under the  
baton of one of our greatest  
Verdi conductors. The idiom  
is constantly and consistently  
right. A pity that this *Otello*  
cannot be heard outside  
Florence, preferably dropping  
off the production en route.

John Higgins

## Book review

# Thoughts of a lost leader

The Real War  
By Richard Nixon

(Sidgwick & Jackson, £8.95)  
This is a book with an avowed  
purpose, to warn the people of  
the West of the imminent dan-  
gers of Soviet expansionism to  
other areas of the world and to  
themselves in the next decade.  
In those historic words "The  
condition upon which God hath  
given liberty to man is eternal  
vigilance" and with it pre-  
paredness, and the will, to fight  
for freedom if need be.

Richard Nixon has every right  
to issue such a warning for if  
the historian of the future is  
fair to him he will conclude that  
in his strategic decisions on  
foreign policy he was largely  
justified. He was unwavering in  
his support for the Western  
alliance, resolute but unprovo-  
cative in his attitude towards  
the Soviet Union, and forth-  
coming in his approach to the  
People's Republic of China  
which led ultimately to the  
resumption of diplomatic rela-  
tions between Washington and  
Peking. Above all he thought in  
terms of a world strategy for  
the United States.

He recognized the need for  
American forces to withdraw  
from Vietnam despite the risks  
involved, just as the present  
British Government was forced  
to accept the necessity of sever-  
ing its legal ties with Rhodesia.  
He covered the withdrawal with  
the "Nixon doctrine" that  
other countries would be helped  
with money and equipment  
where they were prepared to  
help themselves but not with  
American forces. The argument  
over the method and timing of  
this process of disengagement  
will long continue; the conse-  
quences for Vietnam and Cam-  
bodia—and still to come per-  
haps for other parts of South  
East Asia—have been horrible.  
Military or political will now  
deny the inevitability of Presi-  
dent Nixon's policy.

In the earlier chapters of this  
book he describes how Soviet  
encroachment on the developing  
world has increased over the  
last five years. Those familiar  
with international affairs will  
find little new here but for the  
book to achieve its wider pur-  
pose his accounts of these ac-  
tivities in Africa, Asia, and the  
Caribbean are necessary though  
they could with benefit have  
been edited and considerably  
pruned. There is all too little  
public understanding not only  
in the United States but also in  
Europe of Soviet global strategy  
and the extent to which it is  
being implemented.



Photograph by Harry Kerr

What I find lacking in his  
account of this period is any  
emphasis by the former Presi-  
dent on the fact that Soviet  
gains, from Angola onwards,  
were the result of the United  
States, people and congress,  
opting out of many of the  
worldwide responsibilities they  
had previously accepted. This  
was the aftermath of the  
debacle of Vietnam and the  
disgrace of Watergate, both of  
which greatly deepened the  
distrust of the Presidency and  
diminished its power. Nixon  
freely admits that Watergate  
weakened his own personal  
position in foreign relations  
and hence that of his country.  
It also made a longer-term mark  
on American policy which the  
rest of the free world is still  
waiting to be assured has been  
expunged.

The most important chapter  
in this book is undoubtedly  
that on military power with its  
analysis of the handling of  
nuclear power and its factual

account of the growth of Soviet  
weaponry and maritime  
strength. In thirty years the  
United States has gone from  
nuclear monopoly, to superior-  
ity, to parity, to fears of  
approaching inferiority. It re-  
mains true that so long as one  
super power insists on superior-  
ity the result can only be an  
arms race. Negotiation on arms  
limitations such as SALT I and  
II only become possible when  
the power with superiority is  
prepared to accept parity. But  
what if by such negotiations the  
other power starts to move  
towards superiority—that is  
President Nixon's fear, all the  
greater because he foresees  
that meaningful negotiations  
can only be safely resumed  
when parity has been reestab-  
lished. In his view a difficult  
and costly task for the United  
States and one in which there  
is no time to be lost.

Edward Heath

## of London in Elizabeth Hall

### Goodwin

than 10 years after its  
re, *Goodwin* is a  
a compelling experience  
integration of solo dancer  
usician on the same plane  
dication. Peter Maxwell  
conceived it as a Passion  
ce in multiple layers,  
be Stations of the Cross  
posed on the sixteenth  
etometrical imagery of  
us, which is again  
d on a musical structure  
ce forms, ancient and  
a, and allusions to  
al sources as well as to a  
cent vernacular of fox-  
ed garbled byron tunes.  
iam Louthier as both  
grapher and dancer, as  
pounding the hymn tune  
upright piano, demon-  
a well remembered  
virtuosity, even if certain  
as now make their effect  
as a matter of time than  
one. His musical partner,  
cello, was performed this  
Alexander Ballie, wear-  
kind of searaphic shroud  
ankles, but giving a  
in pointed an expressive  
dance nevertheless, while  
mposer directed the rest  
small ensemble with keen

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## Royal patron for Philharmonia

His Royal Highness the Prince  
of Wales has agreed to become  
patron of the Philharmonia  
Orchestra. Prince Charles be-  
comes the first patron of the  
Philharmonia since its founda-  
tion in 1945.

## Violinist plays against cuts

The Italian violinist Salvatore  
Accardo is to give a concert in  
St Margaret's Church, West-  
minster, at 1pm today from  
which all proceeds will go to  
the Westminster and Associated  
Hospitals Campaign Fund,  
which has been formed to fight  
the proposal to close Westmin-  
ster Hospital Medical School  
and other cuts. Mr Accardo  
will play the A minor Sonata  
and D minor Partita of Bach.

## Festival Ballet novelties

Two new short ballets will be  
presented by the London Festi-  
val Ballet as part of their sea-  
son at the Festival Hall from  
August 12 to September 4.

One work will be by Barry  
Moreland, with music by Peter  
Maxwell Davies and designs by  
Nadine Baylis. The other addi-  
tion to the company's repertoire  
is 1914 by Michael Pink, which  
was originally performed at the  
Festival Ballet's choreographic  
workshop last year; the music  
is by Kabalevsky.

Full-length works in the sea-  
son will be *Giselle*, *Coppélia*  
and *La Sylphide*; other one-act  
works will be *Metamorphoses*,  
*Graduation Ball* and *Three  
Preludes*.

## Die Fledermaus Coliseum

### William Mann

While this newspaper was in  
obeyance, last August, the En-  
glish National Opera presented  
an overdue new production of  
Johann Strauss's *Die Fleder-  
maus*—in English of course,  
the familiar Christopher Hassall  
lyrics ("O what a blessing  
Bubbly is, His Majesty King  
Fizz") supplemented by Ed-  
mund Tracey's new dialogue,  
full of jokes, good and bad but  
almost always funny.

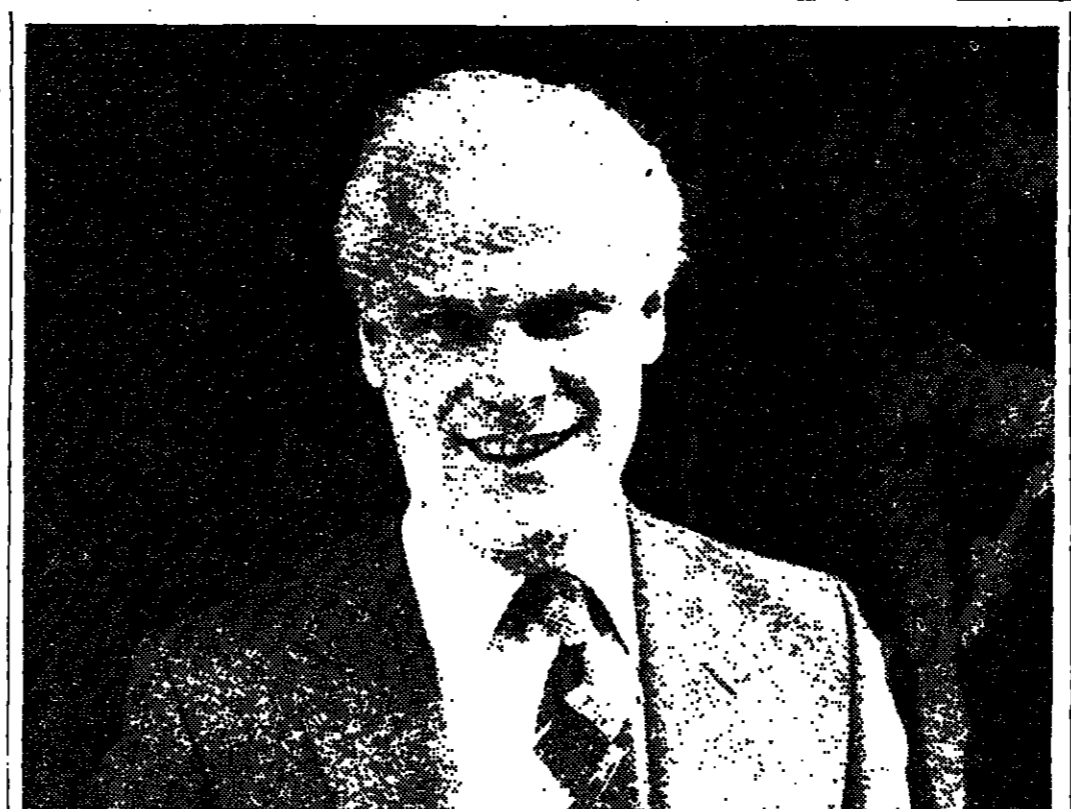
The revival on Monday dis-  
closed chic and pretty sets by  
Tim Goodchild, cosy for  
Eisenstein's home, grandly  
vulgar for Orlofsky's palace,  
suitably dank and drab for the  
prison, with a lengthy drain-  
pipe as frame (it failed, alas, to  
vanish into the files for the  
finale). The stage direction,  
which he finished on stage; it  
is not decorous, and in *Die  
Fledermaus* decorum must be  
solidly established at first, be-  
cause it will eventually be  
broken down completely by the  
natural attraction of man and  
woman, particularly when they  
do not recognize one another,  
and when champagne is flowing,  
to mention vodka.

The second act, the most  
delectable, has a major asset  
Lynne Barber's cool, hoarse-  
lysed Orlofsky, the dialogue  
nicely timed and articulated,  
and pitched too, so that we are  
surprised when her female  
mezzo voice launches "Chacun  
à son goût".

It has a, for once, likable  
ballet with a Polka in which  
Eric Shilling, as Frank, shows  
his dancing prowess as partner  
to Susan Stevens. But Mr Shil-  
ling's prowess is greatly fur-  
oured by this production, above  
all in the prison scene where  
his tipsy colleagues with Clive  
Dunn's French (as resourceful  
and outrageous as any of the  
many I have seen, even in  
Vienna) sustain belief and post-  
pone fears of anticlimax.

Emile Belcourt's Eisenstein is  
well loved in this theatre, the  
fop and the pleasure-seeker  
skillfully controlled and in-  
tegrated the drops often in  
no-lando, and encourages others  
into the bad habit. The Rosa-  
linda of Lois McDonald, richly  
expert and versatile, sumptu-  
ous, too, is let down by shrill  
top notes and lazy runs. John  
Brecknock justifies the casting  
of a fluent lyric tenor in a part  
usually assigned to something  
like a Mancini. Marilyn Hill  
Smith contributes a bright,  
purposeful Adèle, with a pretty  
mimicry of Mummeret.

Too many song consonants  
were lost for easy intelligibility,  
and too many weak rhythms  
slackened musical tension; *Die  
Fledermaus* must be sung as  
strictly and as sensitively as the  
best of Mozart. Howard  
Williams, conducting, seemed to  
countenance the lapses, in his  
orchestra too, though there  
were many signs that he has  
Strauss's music in his bones.



Photograph by Bill Warhurst

# Lloyd-Jones's vision of how ENON ought to develop

David Lloyd-Jones, Music Director of English National Opera North for almost two years, tonight in the Grand Theatre, Leeds, conducts the company in the first professional performance in this country since the centenary celebrations in 1962 of Delius's *A Village Romeo and Juliet*. The production is also to be broadcast on Friday, on Radio 3.

"If ENON didn't do *A Village Romeo and Juliet*, what would?" asks Lloyd-Jones. "As a company we are typical of any opera house in the world. We do the traditional repertoire of favourites, and the repertoire of 'new' works. Yet in the middle, as it were, there are operas which from time to time need to be re-seen and re-evaluated otherwise they would be in danger of disappearing. *A Village Romeo and Juliet* is one."

Lloyd-Jones's responsibilities at ENON are very different from those of assistant to the Music Director at the Coliseum. "My title at ENON is 'Music Director' but in fact I am the head of the company, with responsibility for all artistic and other standards. I have buried myself in ENON since its creation and I intend to continue in that as much as is possible although I shall, naturally, do guest conducting. I have made sure that I was the one to conduct ENON's first Wagner, its first Puccini, its first Verdi, its first Mozart operas, and to establish the style I wanted early on. Now I lead it in its first Delius."

A pattern for ENON performances has emerged over the two years of its existence. "We

have four 'seasons' (in autumn or Christmas, in spring and in the early summer) of between two and five weeks in Leeds, when we do three (occasionally four) operas which we then take on tour. Our 12 or 13 operas per year amount to perhaps one more than La Scala puts on but is less than what I have been used to at the Coliseum."

What made ENON and Lloyd-Jones decide to put on *A Village Romeo and Juliet*? "First, in Eleanor Smith and Adrian Martin we had the ideal casting for Vrenchen and Sali; also Stuart Harling was available to sing the Dark Fiddler. Secondly, the work held a great attraction for me. The major influence, the harmonic idiom, is that of Puccini, it has great lyrical and poetic strength. I think it is more than a work which needs an occasional revival. Also, Delius has the dramatic feeling right. There is great sincerity, tenderness, poignancy and fragility."

"In the Dark Fiddler, the heir to the waselard, Delius creates a more substantial a more positive character than he found in the Keller story. The Dark Fiddler advocates the free life. He is a difficult but not a sinister character, although the village children, Sali and Vrenchen, living in their closed, doomed atmosphere reject his world. In favour of suicide. Finally, the length of the opera is right—about one hour and 50 minutes. We will make a break after Scene IV. It's perfectly shaped in this respect."

Many people have been surprised by the absence of Russian and other Slavonic opera

in ENON's repertoire, given Lloyd-Jones's former championing of this neglected music. "It's one thing to be excited by something personally. I enjoy Russian opera but it is an acquired taste. I'm not blind to its dramatic shortcomings which can be a considerable bar to including Russian opera in a repertoire although not necessarily in a festival as we saw in Camden with *Mazepa*."

"Russian operas have two peculiarities. First, they presuppose a considerable knowledge of and interest in Russian history (*Kovanshchina* more than *Boris*, which transcends its 'time of troubles'). Secondly, the folk idiom is difficult to present to English audiences. There are a surprising number of Slavonic operas which are remote from us, with naive humour and which need careful handling. ENON will go to Slavonic operas with some caution as repertory works, but we shall do some, in the future."

Lloyd-Jones looks forward to seeing ENON continue to grow from strength to strength. "As a company we are very confident. We have done *Rosencavalier*. *The Mines of Sulphur* was a great success. At the last performance we gave of Peter Grimes there wasn't a seat available, even for my own children! Our orchestra gives about 15 symphony concerts a year during breaks between opera performances. Our chorus has just made its first recording. No work holds terrors for us—except financial ones!"

John Greenhalgh

## Frontier ATV

### Michael Ratcliffe

A child fell off a catwalk and, because nobody saw it happen, was drowned. The body was placed in a tiny white coffin that looked like a slice of richly iced cake, but the family was refused permission to slot it into the paupers' necropolis because their papers were incorrect.

Half a million people in the Ecuadorian city of Guayaquil live in home-made bamboo shacks over tidal mangrove swampland. Most of them have no water supply, no mains electricity, no sewerage and no roads. "Infill" is priceless, but a line has to be drawn somewhere and when one contractor began filling in the swamp with the city's garbage—dead babies, dogs, cats, with attendant vultures, cockroaches and flies—the people of the bamboo *barrio* went straight to the town hall and had him stopped.

The wandering coffin of a drowned child was not the only thing that disturbed the neighbourhood built upon garbage sound like urban nightmares dreamed up by Dickens, Zola, or the contemporary Columbian novelist Gabriel Garcia Marquez, but peasants of the Third World today are pulled to the cities for exactly the same promise of a richer, fuller life

as their predecessors in nineteenth-century Europe or early twentieth-century America. Poverty and disease are again being fought by determination and cultural resilience, and Brian Moser's absorbing film, the first of three on South American subjects, was full of occasions and images to remind us that the territories of the imaginative writer and the anthropologist are frequently the same.

As film (cameraman Ivan Strasburg), much of it was horribly picturesque: but what distinguished *People of the Barrio* above all and gave it a quiet exhilaration was the resourcefulness and wisdom of the people themselves: Carmelina, whose husband had left her for a younger woman, then returned briefly to father two more children on her. ("One has to be a hero," she said, smiling without self-pity at the impossibility of men); Julio, who took up what he described as dentistry, the alchemical provision of gold fillings for old women in the countryside; Anselita, who dreamed and actually lived on the civic rubbish dump; and Emma, the mobilizer of community rights and feeling, who reminded the new mayor that he owed his elevation to the votes of the *barrio*. The mayor promised maintenance within a year, but now is a year later, and the water is still not there.

## Garrick Ohlsson St John's

### Paul Griffiths

There is nothing like a good dose of Schoenberg for altering one's conception of what is normal. Right in the middle of his BBC lunchtime recital on Monday Garrick Ohlsson played the Five Pieces, Op 23, and made them so fluent, colourful and expressive that, far from seeming a bizarre interruption, they became the standard for what followed. The second of Liszt's *Valse oubliée*, coming immediately after the final waltz of the Schoenberg set, seemed naughtily naive even in its flamboyance, though this was an impression fortified by the detached caprice with which Mr Ohlsson picked off notes with his right hand.

More disturbing, because less to be expected, was the effect of the Schoenberg on Chopin's C sharp minor Nocturne, Op 27 No 1, played as an encore. With the memory still fresh of the

not dissimilarly nocturnal first Schoenberg piece, it was the Chopin that became the night-mare parody of the genre, a parody all the stranger for the luminous beauty of the performance.

Mr Ohlsson's Schoenberg, like his Chopin, was a matter of exquisite poetry, of harmonic weight being softened but not concealed. The first piece, which gained much from the umbrageous bass of a splendid Bösendorfer, was not the only one to be seen in dusky terms for the whole set was given an entirely appropriate night-time colouring, enhanced by such effects as the glancing beams of starlight in a beautiful melody near the start of the third piece. Nor was this Schoenberg played for angst. The feeling was comparatively serene, despite all the cascades of the second piece and the frenetic yet perfectly controlled tempo of the last, for bad it not been so the pieces could hardly have insinuated themselves so readily and successfully at the musical as well as the chronological centre of this excellent recital.

Some of the reviews on this page are reprinted from yesterday's later editions.

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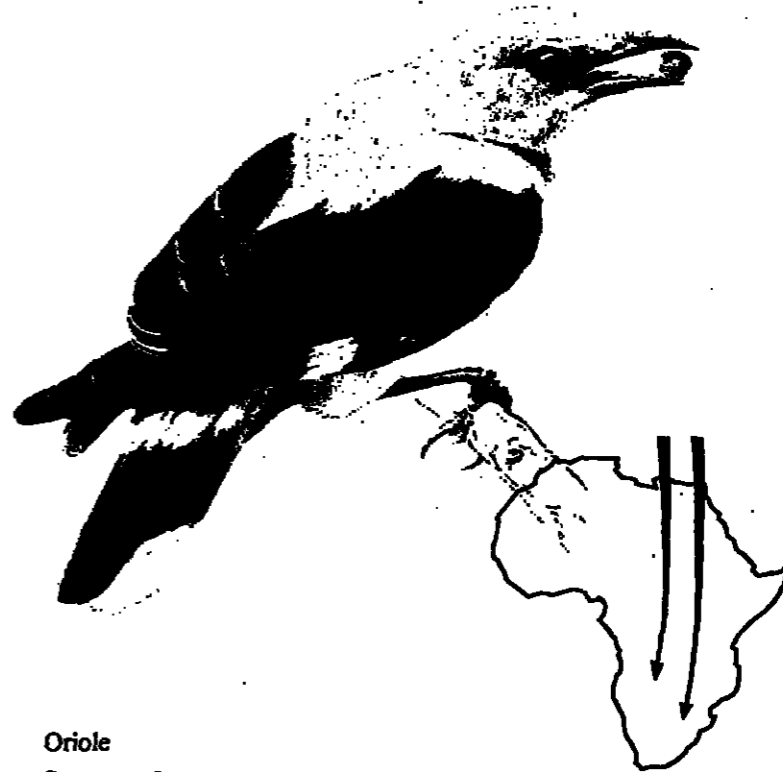
# The migratory behaviour of European birds.



**Greater Whitethroat**  
Summer: Sun-warmed scrub thickets all over Europe.  
Winter: Chiefly bush regions of the Sahel zone.



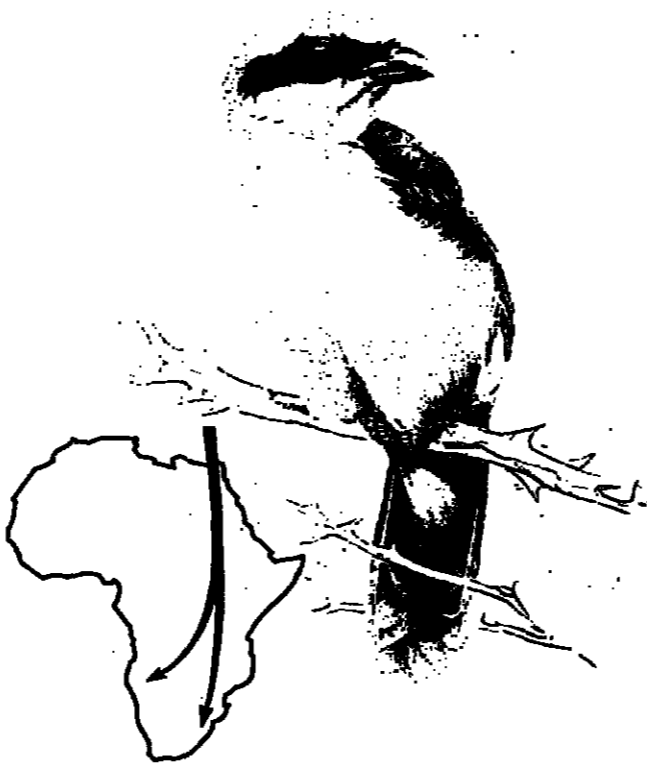
**Marsh Warbler**  
Summer: Chiefly eastern Europe.  
Winter: Bush and grass country of East Africa.



**Oriole**  
Summer: Central and southern Europe.  
Winter: In the forested regions of Africa south of the Sahara.



**Barn Swallow**  
Summer: Europe, except extreme north.  
Winter: Africa south of 10° north latitude.



**Red-backed Shrike**  
Summer: Central Europe.  
Winter: Between tropical Africa and the Cape.



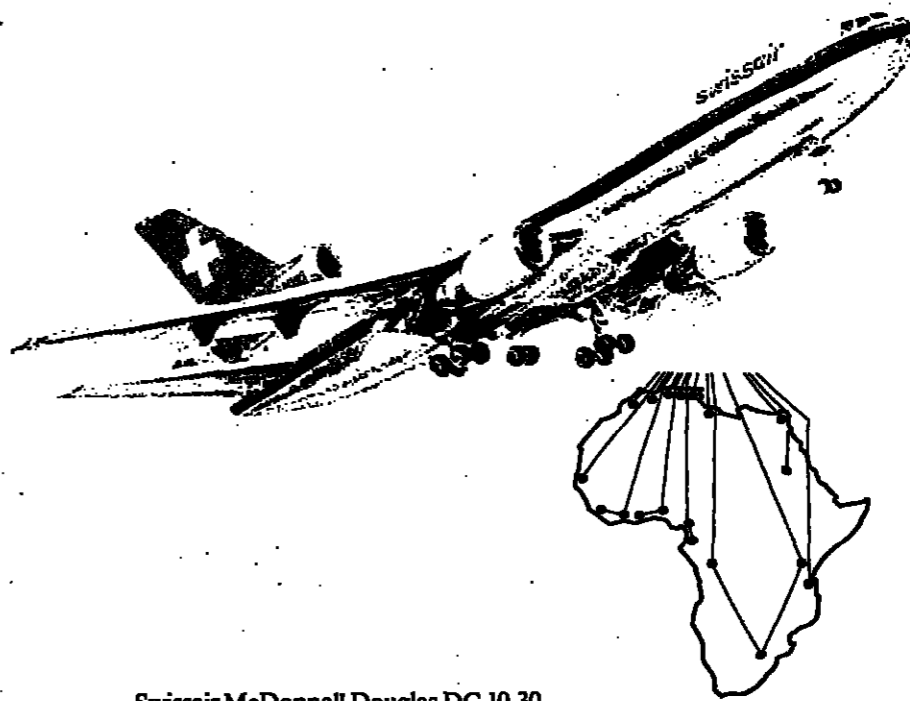
**Cuckoo**  
Summer: All over Europe.  
Winter: Savannas and forested regions of Africa.



**Swift**  
Summer: Europe, except for extreme north.  
Winter: Tropical and subtropical Africa.



**Redstart**  
Summer: Breeds all over Europe up to the tree-line.  
Winter: In the savannas and bush steppes between Sahara and equator.



**Swissair McDonnell Douglas DC-10-30.**  
Summer and winter: Central Europe (Switzerland) and Africa. Flies regardless of season, fifty four times a week from Switzerland to nineteen African cities. (Four times to Casablanca, twice to Oran, six times to Algiers, twice to Annaba, four times to Tunis, four times to Tripoli, five times to Cairo, twice to Khartoum, twice to Nairobi, twice to Dar es Salaam, three times to Johannesburg, twice to Kinshasa, once to Libreville, once to Douala, four times to Lagos, three times to Accra, twice to Abidjan, twice to Monrovia, and three times to Dakar).  
Research has shown that this bird appears in Africa with striking regularity at exactly the same hours, and flies back to Central Europe (Switzerland).  
Markings: White cross on red tail.

We are grateful to the Swiss Ornithological Station, Sempach, for their scientific counsel and information. All these birds are so-called "long-range migrants", who—except for those that hunt in flight (the swifts and swallows)—migrate at night, covering as much as 400 to

800 km in a single hop by exploiting tail winds. Studies have shown that they can cross the Mediterranean and the Sahara non-stop; they fix their position by the stars and the earth's magnetic fields. Further information on flight movements of the

DC-10-30 and its related species, the DC-8 and DC-9, can be obtained from your travel agent or Swissair.

**swissair+**



SPORT

by Union

## Fields could become most non-white to play for South Africa

Uchard Streeter, 20, is a South African player for the British Lions. He is a black winger, who also played in the South African team. He is a black winger, who also played in the South African team. He is a black winger, who also played in the South African team.

hoping to make a claim tomorrow for an international place. Uchard Streeter, 20, is a South African player for the British Lions. He is a black winger, who also played in the South African team. He is a black winger, who also played in the South African team. He is a black winger, who also played in the South African team.

## Ward and Stephens summoned by Lions

From Richard Streeton

Potchefstroom, May 20. Stephen, a Bridgend and Wales 8 prop, and Tony Ward, the Irish stand-off, are joining the British Lions as replacements for the injured Blakeway and Campbell. Stephen, who has been on the Welsh tour of North America, is already on his way home to replace Blakeway and Campbell.

Though Ward, a little strangely, was not on the official list of tour reserves, his goal-kicking prowess made him the obvious choice to replace Campbell's inability to play. The Lions management, apparently, have been in touch with Ward since last Sunday. The choice of Stephens is understood, was made because he is a match fit and was immediately available. As Syd Millar, the Lions manager, said: "Time is running short. This is a reference to the first international with South Africa at Cape Town on Saturday. Stephens is the second player to be summoned by the Lions from Wales's North American tour, following the Bridgend stand-off, Gareth Williams, who arrived last weekend to replace Lane. Stephens is an 18st 7lb and 6ft. He has been a travelling reserve for Wales as a tight and a loose head prop and in the two months leading up to the Welsh Cup final he played eight head when the Bridgend captain, James, was injured, before reverting to loose head when James was fit again. He is understood to have played in British Columbia after the Welsh officials kept the news of his Lions selection from him until that game was out of the way. Trust the Welsh to get their rugby priorities right.



Ward, whose goal-kicking made him an obvious choice.

possibly should not have set out on this particular tour. Campbell, meanwhile, is now an inmate of a residential sports clinic in Johannesburg where specialist medical attention and sports training facilities under supervision are available. A slight hamstring tear has now been diagnosed: he will have treatment for eight or nine days and Mr Millar still has not given up hope of his being considered for selection on May 31. Davies, whose arm is still in a sling, trained today and will join Campbell in the clinic, but should be able to play in two weeks' time.

## Celebrations for start of Welsh centenary year

Massed bands, massed choirs and a parade of rugby organizations and personalities will take part in celebrations to mark the start of the Welsh Rugby Union's centenary year in July. On July 15 the Prince of Wales will hand to a representative of London Welsh rugby club a specially designed ball containing a message of goodwill to the WRU. It will be carried by a relay of runners from London to Cardiff, where it will be presented to the WRU. The relay will start in London on Saturday, July 15. There, the gala opening will feature four military bands, Army and RAF groups, a flag-raising ceremony, and 50 choir, following a grand parade through the streets of Cardiff headed by 11 founder member clubs. Among other attractions will be a 1870-style rugby match, coaching and demonstration matches and, weather permitting, a drop by the Red Devils parachute team with messages of congratulation. Last year his principle, coaching and demonstration matches and, weather permitting, a drop by the Red Devils parachute team with messages of congratulation. Last year his principle, coaching and demonstration matches and, weather permitting, a drop by the Red Devils parachute team with messages of congratulation.

Equestrianism

## European scheme for festival that will be open to the whole world

By Pamela Macgregor-Morris

British, French, West German, Netherlands and Swiss equestrian federations have made plans for a 1980 international equestrian festival with CIO (Concours Official International) status, open to the world, including those nations who have competed in the Olympic Games. The International Equestrian Federation under the presidency of Prince Philip, have agreed to the holding of these competitions.

The festival will take place at Goochwood, Surrey, from August 7 to 10, the showjumping in Rotterdam, site of last year's European championships, from August 13 to 16, and the dressage event at Fontainebleau, 30 miles south of Paris at the former home of the French cavalry school, from August 21 to 24. The European show jumping championship was held here in 1971.

The top American horses and riders will be invited to compete in time and it is expected that 12 to 14 teams will participate, including Great Britain, West Germany, Switzerland, Canada, France, Australia, Japan and the Netherlands. Italy and Belgium will make their decisions today. The most interesting point to arise from a campaign which will delight all those who have been preparing their horses for the last three years, is that as this festival will be held under the auspices and judged by the rules of the FEI, and not the IOC, professionals will not be deterred from these events. This will mean that Britain can field a team who holds both world and European championships—David Broome, on Morococha, and the Dutch pair, Derek Ricketts and which will prove anew how hard it is to beat in the Prince of Wales (Netherlands) Cup at Hickstead on Sunday.

I asked Broome, who has always had the greatest enthusiasm for the Olympic Games, what his reaction would be to riding in the international equestrian festival, having ridden in the Rome, Tokyo Mexico and Munich Olympics. It was only lukewarm. Quite honestly I can't get up any enthusiasm for something that nobody has ever heard of—what are they calling it? Well, it may mean something for a week, but after that, if you say I won the gold medal at the international equestrian festival, the man in the street would ask what that was. It could mean smother to him. If they put up £10,000, that would make a big difference.

Providentially, the horse trials selection committee last week issued a short list of 12 in the expectation of an international three day event at the end of August. It is: Rachel Bayliss, on Mystic Minstrel, Sue Benson, on Morococha, Judy Barwell, on Castlewellan, Helen Butler, on Merganser II, Chris Collins, on Gamble VIII Tessa Martin-Bird on the Mountaineer, Richard Meade, Miss E. Kitchener, on Spectator, Capt Mark Phillips on Lincoln, Lucinda Prior Palmer on Kilaire, Bonyon Bay and Village Gospi, Elizabeth B. on Fiddlers Field, L. Farmer, Jane Sharkey on Topper Two and Jayne Wilson, on Flying Solo. In the event of two of Miss Prior Palmer's horses being selected, Charles Micklem will ride the other.

Rifle shooting

## Marksman's call for special general meeting

Malcolm Cooper, one of Britain's three world shooting champions, is demanding that the National Rifle Association (NSRA) hold an extraordinary general meeting in an attempt to reverse Saturday's decision to boycott the Moscow Olympics. Cooper, from Portsmouth, has raised 50 signatures on a petition which has already been delivered, and which requires the NSRA to call a meeting for the purpose of discussing the agenda which suggested that a decision to boycott could be taken.

Golf

## Mrs Bonallack penalised but finishes in front

Angela Bonallack lost one ball in a four-hole playoff to finish herself two strokes for playing from the wrong tee, but still finished at first round leader in the English women's amateur golf championship at Aidsburgh yesterday. Returning to the event after an absence of three years, Mrs Bonallack, mother of the former four over par 78. She finished one shot ahead of last year's winner, Susan Badger, on 111. Ann Booth, the former Staffordshire champion, was runner-up on 112. Mrs Bonallack's adventures began when she drove into a bush at the third hole. She had to make a tactical error. She holed a 30 foot putt from an eagle three at the 11th and from 12 feet for a birdie at the 12th. She then played the 15th, she played from the normal LGU tee instead of going back 35 yards to the special one. Making her mistake she played from the wrong tee, adding a two-stroke penalty, finishing seven in two for the hole.

## pton Park programme

on (BBC 2): 2.30, 3.30 and 4.00 races. LEAZE STAKES (Maidens, 2-y-o: £1,425: 5f). Asaph, H. Gandy, 9-0; 10-0; 11-0; 12-0; 13-0; 14-0; 15-0; 16-0; 17-0; 18-0; 19-0; 20-0; 21-0; 22-0; 23-0; 24-0; 25-0; 26-0; 27-0; 28-0; 29-0; 30-0; 31-0; 32-0; 33-0; 34-0; 35-0; 36-0; 37-0; 38-0; 39-0; 40-0; 41-0; 42-0; 43-0; 44-0; 45-0; 46-0; 47-0; 48-0; 49-0; 50-0; 51-0; 52-0; 53-0; 54-0; 55-0; 56-0; 57-0; 58-0; 59-0; 60-0; 61-0; 62-0; 63-0; 64-0; 65-0; 66-0; 67-0; 68-0; 69-0; 70-0; 71-0; 72-0; 73-0; 74-0; 75-0; 76-0; 77-0; 78-0; 79-0; 80-0; 81-0; 82-0; 83-0; 84-0; 85-0; 86-0; 87-0; 88-0; 89-0; 90-0; 91-0; 92-0; 93-0; 94-0; 95-0; 96-0; 97-0; 98-0; 99-0; 100-0; 101-0; 102-0; 103-0; 104-0; 105-0; 106-0; 107-0; 108-0; 109-0; 110-0; 111-0; 112-0; 113-0; 114-0; 115-0; 116-0; 117-0; 118-0; 119-0; 120-0; 121-0; 122-0; 123-0; 124-0; 125-0; 126-0; 127-0; 128-0; 129-0; 130-0; 131-0; 132-0; 133-0; 134-0; 135-0; 136-0; 137-0; 138-0; 139-0; 140-0; 141-0; 142-0; 143-0; 144-0; 145-0; 146-0; 147-0; 148-0; 149-0; 150-0; 151-0; 152-0; 153-0; 154-0; 155-0; 156-0; 157-0; 158-0; 159-0; 160-0; 161-0; 162-0; 163-0; 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# Pakistan: has General Zia got his Islamic priorities wrong?

cyclone over, say, the North Sea

# Getting bitten when you can't bite back

## Trying to pin down the change in the weather

As it is, it will be many years before we can predict accurately the timing and position of blocking highs. Until then, it is inevitable that these enigmatic weather systems will continue to take forecasters, planners and the general public by surprise—as recent weeks have so clearly demonstrated.

**W. J. Burroughs**

# LONDON DIARY

the United States and Lake  
have a very cheap fare. A case  
Fly the White Flag?

**Alan Hamilton**

## Re-writing Supermac's last exit

was not I who went to the nursing home and extracted promises of the statement of his intention (to retire)": Indeed not; it was Sir Alec,



## Doom latest

is being erected at vast cost and with notorious delay to protect the capital from flooding, may after all prove to be a waste of time and money. All

of mile-wide geodesic domes  
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## THE HAUGHEY DIMENSION

The Irish are placing a very high significance on today's meeting between Mrs Thatcher and Mr Haughey.

Mr Haughey was able to oust Mr Lynch from the office of prime minister last year chiefly because Fianna Fail TDs in sufficient number had come to regard Mr Lynch as too soft or acquiescent in the face of Ulster separatism. Mr Haughey, a man to put republican muscle into the Irish government's Northern policy, was the man for them.

He at once declared that his Government would put the Northern question in the forefront of its priorities. He has said that the opportunity to rescue a disintegrating society in Northern Ireland is slipping by; that a conclusive settlement can no longer be delayed; that internal arrangements for the government of the province within the United Kingdom, however important, are not central to progress towards a settlement; that only clear movement towards Irish unity will suffice; and that the impetus must come from a declaration by the British government of its interest in encouraging the unity of Ireland by agreement and in peace.

Now the moment has come for Mr Haughey to discover for himself, and acquaint his countrymen, whether that approach is going to lead him anywhere. He is looking to Mrs Thatcher for some indication that she is prepared to give the unionists of Ulster a shove in the required direction.

Irish hopes of this meeting are justified by a reading of Mrs Thatcher's political character as exhibited by Mr Haughey's conservative in her radical in execution. Her manoeuvre of disengagement from Rhodesia makes a sharp contrast with her previous position under internal pressure; a banging door of heads; deafness to calls for a brilliant execution of a brilliantly executed policy; a quick dash to a safe distance. It is not a blueprint for a quick dash to a safe distance. It is not a blueprint for a quick dash to a safe distance. It is not a blueprint for a quick dash to a safe distance.

### A savagery

Mr Haughey is likely to be disappointed in the meeting but not surprised. He will be disappointed because the British Government has no business to appeal or coax the people of Northern Ireland into another treaty under another sovereignty. There is a large and settled authority there with no desire to elude that road; when that authority includes (on the evidence of opinion polls) a stable proportion of the Roman Catholic community; and when the majority has been undented for ten years of savagery by the IRA. He will be disappointed because any indication that he was preparing to force a hand of Ulster unionists in

the cardinal matter of allegiance would deeply unsettle the province, make far more difficult the task of governing it, and precipitate preparations for civil war.

That is professedly disbelieved in Dublin. There is supposed to be a London gentlemanly attitude to the game is up, that everybody's interest would be best served by the unionists' contemplating a future without the union, Ulstermen, being of a practical disposition, would set about making the best of it. For once Englishmen see more clearly into Irish history, having the advantage of closer acquaintance this century with Dublin has had. There is nothing in that history to promote a belief that Ulster Protestants would go quietly if deserted.

### Right analysis

Yet, while not obliging Mr Haughey, Mrs Thatcher will be anxious not to rebuff him. She needs a fair wind from Dublin for her government's forthcoming proposals for a provincial Ulster assembly and executive. She needs to foster the improved cooperation between the security forces both sides of the Irish border, and to encourage Mr Haughey in his tough measures against IRA activity within the Republic. She needs to minimize the nuisance an aggressive Irish government can make of itself over Britain's foreign relations in general, and with Washington and the EEC in particular.

Moreover, there has always been something transitional about the administrative province of Northern Ireland. The 1920 Government of Ireland Act which established it looked forward to the possibility of coalescence between North and South and provided means for effecting it. Great Britain has never gone rock hard on its union with Northern Ireland. Had it done so the province would long ago have been fully integrated into the administrative system for the rest of the kingdom. Recently Westminster has chosen to ignore the axiom that a society which exhibits conflicting allegiances of powerful historical and cultural force can have no assured stability until one prevails indisputably over the other—and by ignoring that axiom it has denied itself the best political strategy for defeating republican violence, which is to deprive it of all hope of success.

At this point the Dublin analysis is right. Britain no longer perceives a strategic or economic interest in Northern Ireland, is not bound by sentiment, does not possess the will, sufficient in all three cases for a union with Northern Ireland that is free of all reservation.

For these reasons Mrs Thatcher will not wish to exclude the future possibility of Irish unity. But her position cannot be other than was written down at Sunningdale in 1973:

The present status of Northern Ireland is that it is part of the United Kingdom. If in the future the majority of the people of Northern Ireland should indicate a wish to become part of a united State at the Foreign Office, did point out during last week's debate, that the Government already had powers under the Import, Export and Customs Powers (Defence) Act 1939, "not over contracts but as regards the shipment of goods", ie, including goods shipped under pre-existing contracts. He added that no decision had been taken to use those powers and promised that if any such decision were taken it would be approved by the House for approval. He failed to make it clear that there was every prospect of such a decision being taken as early as the following weekend.

To that extent it is understandable that MPs felt they had been misled, and the Government was certainly open to criticism for the way it had handled the affair. But it had not positively misled them. It could and should have defended itself and the decision reached, not without difficulty, by nine governments in close and elaborate consultation, with the British Government insisting particularly that the Nine must act together. It might perhaps have been defeated. If so the defeat would have been honourable, and not tragic—since the number of contracts involved is small and the importance of the sanctions is admitted to be largely symbolic in any case. But to tear up a Community decision without even putting it to vote was undignified and lamentable.

May I add that I believe that the above anomalous state of affairs is nobody's fault in particular: parliamentary privilege just grew (a long time ago) and has not yet atrophied with "progress". Yours sincerely, JULIE J. COWDERY, 53 Dyne Road, NW6, May 15.

Ireland, the British Government would support that wish. The principle of self-determination is applicable to Northern Ireland without qualification. It is not for Mrs Thatcher to push or nudge Ulster unionists southwards. It is for Mr Haughey to attract them thither if he can. He has come to London, it is thought, primed to discuss such ideas as federation, dual citizenship, joint guarantees. He should address himself in the first place to Belfast and seek a response there. If he prospers, that will be the time for British and Irish ministers to look into such topics together.

The Republic of Ireland has been changing rapidly in ways that might be expected to interest Ulstermen north of the border. It is exhibiting an entrepreneurial flair. It has acquired expertise in professions ancillary to business (previously more characteristic of Belfast) such as management consultancy, commercial law, accountancy, of which Mr Haughey is himself an ornament. Its economy has been growing at a much faster rate than that of Northern Ireland or the United Kingdom as a whole. It is more "European" in sentiment than England is, and more adept at exploiting the Community to its own advantage. The horizons of its governing, business and professional classes are increasingly continental and global, now that the country has found its feet in the European Community and at the United Nations.

Yet Irish governments have made no systematic attempt to explain to Ulstermen in the light of these trends what precisely their envisage in their aspiration to Irish unity, what advantages might await Ulster, what financial, civil and religious guarantees might be available, what constitutional and legislative changes Dublin for its part would make. Modern Ireland (South) has a lot more to offer Ulstermen of planter stock than the Ireland of Arthur Griffiths or de Valera had. But it is for Irish nationalists to convince them of the advantages of making common cause, not for the British government.

### The only way

There is only one route to the unification of Ireland by agreement, and it does not start from a declaration by the British government that that is what it intends to work for. It lies through the further development of the economy of the Republic: the adaptation of its institutions to the wider outlook of its educated citizens; the cultivation of a more instructed and sympathetic understanding of the Irish tradition of Ulster Protestantism; the abandonment of all equivocation concerning the use of violence to achieve unity and the resolute suppression of its manifestations; and a patient programme of action to win over the minds of unionists. At that point a British government will be found ready enough to facilitate transfer of sovereignty. That is the only route to unification by agreement. No other kind, even if possible, is worth having.

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## Retaining Britain's nuclear capability

From Mr S. D. Bailey

Sir, Lord Greenhill (May 16) is right to stress the danger that nuclear weapons will be acquired by irrational authorities in the Third World. It is also the risk that such weapons might fall into the hands of terrorists or criminals. In addition to the six or seven states which make their own nuclear arms, there are probably some 25 countries which possess the technical capability to make nuclear explosive devices, even sophisticated delivery systems are beyond all but a few. This underlines the importance of an effective strategy to halt and reverse nuclear proliferation.

A conference to review the nuclear non-proliferation treaty will open in Geneva in August, and some of the new-nuclear states will undoubtedly deploy precisely those arguments for strategic nuclear independence which have been aired in your columns by distinguished former officers and diplomats. The United Kingdom will be making a convincing case against proliferation which does not at the same time undermine our own case for Polaris and a sea-based nuclear deterrent.

I am respectfully driven to the conclusion that present policies will not prevent the horizontal proliferation of nuclear armaments. SYDNEY D. BAILEY, 19 Deansway, East Finchley, N2.

### Status of the midwife

From Mr Albert Davis

Sir, Mrs Kitzinger (May 13) firmly believes that "midwives matter". Of course they do: without their training, care and specialized expertise the maternity services would break down. But to increase their already fully extended capabilities by a reversion to home confinements, as Mrs Kitzinger advocates, is both unfair to the midwife and potentially harmful to her patients. Under the best conditions delivery at home is a makeshift compromise between patient concern and medical inconvenience: in the worst it can be a dangerous gamble.

Midwifery is too important to be left exclusively to midwives. The hazards of delivery are too many and too serious to subject both patient and midwife to the risks inherent in the obvious lack of medical facilities at home. A lifetime of midwifery convinces me that "for most mothers and babies the midwife's essential skills of encouraging the natural progress of labour are more important than skills in surgery and biomechanics". Mrs Kitzinger advocates an extension of home deliveries to allow of the freer exercise of these skills. Now, most hospital deliveries are perfectly normal, and are carried through exclusively by midwives using the method Mrs Kitzinger advocates. But some babies get stuck and have to be extracted by the obstetrician. A lifetime of midwifery convinces me that no baby should be born at home unless circumstances prevent hospital admission.

ALBERT DAVIS, FRCOG, 93 Harley Street, W1.

### Alternatives to prison

From Mr Nicholas Hinton

Sir, The Home Secretary, in his statement (report, May 1) on the recommendations of the May Committee, the inquiry into the United Kingdom prison services, pledged the Government's support for alternatives to imprisonment. He stressed the increasing part that the outside community must play, whether through statutory or voluntary agencies.

I welcome this and other responses by the Home Secretary to some of the recommendations of the May Committee. I am sure that your view, "a disservice to the cause of press freedom" (leading article, May 8).

The Court acknowledged the right of the media to a limited privilege not to have to disclose its sources—provided it acts responsibly. And Lord Denning recognizes that such responsibility may even be exercised by publication itself: "if it is a case of a trustworthy informant who gave information of which the public ought to know, then, even though it originated in confidence, the newspaper might well be held to act with the same responsibility in publishing it and should not be compelled to divulge its source." This may actually be an advance on the pre-existing law.

Nevertheless, the Court ordered disclosure of the informant's identity: not, it seems, because of what Granada did, but because of the manner in which it did it. All three judges rap the knuckles of the television company for its bad form: it left it too late before informing the Chairman of BSC of the secret documents; it failed to show him the script before he was

interviewed: the interview itself was improperly conducted; the documents were mutilated in order to protect the informant's identity.

The approach adopted by the Master of the Rolls differs, in certain respects, from those of the other members of the Court, but in all the judgments there lurks the anger of the disapproving parent. Lord Denning declared: "They behaved so badly that they had forfeited the protection which the law normally gives to newspapers and broadcasters. That protection was given only on condition that they did not abuse their power."

This is, as you rightly perceive, a singularly unsatisfactory basis upon which to adjudicate press freedom. Yet there is an explicit assumption that, save in the most exceptional circumstances, a newspaper should not be compelled to disclose its sources. Such "exceptional circumstances" however, must relate to what is disclosed not to the manner of its disclosure. Without such a recognition those who have something to tell us will be even more reluctant to say what we have a right to hear. Yours, etc. RAYMOND WACKS, Senior Lecturer in Law, Oxford Polytechnic, Headington, Oxford.

with a knife. Tusser in 1577 recommended it to be served to harvest hands. In Sweden, whose Kajsa Warg of the eighteenth century was one of the world's best cooks, pea soup and pork is a favourite dish in the winter and is one of the many excellent medieval recipes which have survived to this day in spite of the warnings of modern dietitians.

Pease pudding and pease pudding, or their equivalents using beans or lentils, seem to have been standard fare in one form or another in most of medieval Europe though the poorer peasants probably could not afford the pork. PETER TENNANT, Blue Anchor House, Litchmere Road, Haslemere, Surrey.

## Civil Service pay and comparability

From the Secretary General of the Council of Civil Service Unions

Sir, You assert in your editorial, "Engine of inflation" (May 17), that the Government "has gone much further than simply honouring agreements in the Civil Service and you grumble about Government giving no sign that it intends to dis honour pay agreements and end the pay research system. Let me explain what happened this year."

Management assessed the outcome of negotiations on pay research data before negotiations commenced. A cash limit of 14 per cent was fixed. The Government did not say how this precise figure emerged but it was clearly intended to influence pay negotiations. Bargaining was particularly difficult and unions can argue, in some cases, unrelated to facts and past procedures. Management was clearly determined to produce a pre-bargaining position. Pay increases were finally achieved, within these constraints, but subject to (i) an arbitrary 2.3 per cent cut in manpower costs and (ii) deferment of the operative date, in defiance of the pay agreement, from April 1 to May 7.

Arbitration was theoretically open to the unions, but only on the size of increases. Had unions achieved higher figures there would have been a more severe arbitrary manpower squeeze. We were informed that arbitration about the method of payment, ie, staging or the first time, but arguably a breach of the arbitration agreement.

Given this factual background, it is more than difficult to understand your assertion that Government honours agreements. The truth is that they have moved very fast in the opposite direction. You should therefore express pleasure in this moral process.

You allege that the pay research system purports to link civil servants' pay "to the rest of the economy". It purports to do no such thing. The primary principle for pay is fair comparison with the remuneration of outside staff employed on broadly comparable work taking account of differences in other service conditions. An independent unit produces facts and an independent board monitors and authenticates unit activities. These are not minor technical points but are strictly related to your arguments. If the detailed facts are

Furthermore, it should not be forgotten that county councils closely linked with the health service by reason of their responsibility for personal social services often will have to deal with two or three more district health authorities instead of one area health authority. That is bound to add to their costs.

Surely it would be more sensible to link community health councils more closely with area health authorities, thus providing better "grass root" representation at area level and cut out the existing district management tier.

I was surprised you opposed the abolition of regional health authorities. Their demise would create real savings. Although the Department of Health and Social Security may not be geared at present to deal directly with area health authorities, there is no reason why it should not become so, just as the Department of Education and Science deals directly with local education authorities.

A health service structure based on the department, area health authorities, and stronger management, attracted to the level which would save money and provide a better service to patients. What "Patients First" proposes will not achieve its stated objectives, but luckily it is only a consultative document and therefore the Government still has time for further thoughts. Yours faithfully, CHARLES MORRISON, House of Commons, SW1.

### Disclosure of sources

From Mr Raymond Wacks

Sir, The Court of Appeal's decision (on BSC v Granada Television, Law Report, May 13), though perverse, is not necessarily contrary to your view, "a disservice to the cause of press freedom" (leading article, May 8).

The Court acknowledged the right of the media to a limited privilege not to have to disclose its sources—provided it acts responsibly. And Lord Denning recognizes that such responsibility may even be exercised by publication itself: "if it is a case of a trustworthy informant who gave information of which the public ought to know, then, even though it originated in confidence, the newspaper might well be held to act with the same responsibility in publishing it and should not be compelled to divulge its source." This may actually be an advance on the pre-existing law.

Nevertheless, the Court ordered disclosure of the informant's identity: not, it seems, because of what Granada did, but because of the manner in which it did it. All three judges rap the knuckles of the television company for its bad form: it left it too late before informing the Chairman of BSC of the secret documents; it failed to show him the script before he was

interviewed: the interview itself was improperly conducted; the documents were mutilated in order to protect the informant's identity.

The approach adopted by the Master of the Rolls differs, in certain respects, from those of the other members of the Court, but in all the judgments there lurks the anger of the disapproving parent. Lord Denning declared: "They behaved so badly that they had forfeited the protection which the law normally gives to newspapers and broadcasters. That protection was given only on condition that they did not abuse their power."

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## 'Soaking' those who save water

From Mr C. A. Griggs

Sir, The air is already cloudy with appeals and admonitions that we should save water and all the signs are present that we are again entering that season when the water authorities, having failed in their duty to the consumer, attempt to blackmail us to cover their shortcomings and, in the process, charge us for our efforts.

In this school, four years ago, we heeded the siren voices. We banned baths, allowing only showers; we recycled water from our laundry; we gave up using our swimming pool when the level got too low; the appointed staff prefects too low; the appointed staff prefects too low; the appointed staff prefects too low.

And what was our reward? According to the water company our willingness to co-operate was rewarded by a 10 per cent increase in the price of water. The water authorities will save both their time and our money in appealing to us for economy. Not one spoonful of water in this school was saved for them. Yours faithfully, C. A. GRIGGS, C.A. Griggs School, East Brent, Somerset.

I hope Mrs Sally Oppenheim's submission to the "Public Utilities Commission" will be a piece of recklessness in mind and that the water authorities will save both their time and our money in appealing to us for economy. Not one spoonful of water in this school was saved for them. Yours faithfully, C. A. GRIGGS, C.A. Griggs School, East Brent, Somerset.

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## THE NORDIC ECONOMIES

# Nordic Banking & Finance

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## Denmark

## Waves of woe are breaking

Mr Hansen, the archetypal Danish equivalent of Britain's John Bull, is not quite himself these days. Waves of economic woe in recent years have broken upon this latter-day Viking, this most extrovert and friendly of Scandinavians. Could the end of the "Danish dream", symbolized by the super welfare state, be in sight? he asks himself, as, with a sigh, he orders another (heavily taxed) lager.

The sad fact is that the once exemplary Social Democratic Dane is now being told by his Government and its economic advisers that the dream will have to be severely curtailed if Denmark is to avoid economic audit in the 1980s. By mid-April, the Danes mean intervention by the International Monetary Fund within the next few years—stiff medicine for Mr Hansen, whose country still, despite it all, enjoys the highest standard of living in the Economic Community.

Put in crude figures, Denmark celebrated its exit from the last decade with a thumping balance of payments deficit in 1979 of 15,600m kroner (€1,200m) and more than 4 per cent of gross national product—twice that of 1978. In a Budget report published in mid-April, the Danish Ministry of Finance spells out the problem. The report predicts that if no government intervention is taken, the country's current account deficit will rise to 16,500m kroner in 1980 and gradually to 28,300m kroner by 1984. In the meantime, the net foreign debt will rise from the present 60,000m kroner (23 per cent of the gnp) to more than 180,000m kroner by 1984. The report calculates also that without corrective intervention, unemployment

will rise from last year's 6.1 per cent to 6.5 per cent this year and not fall below that level (170,000) until after 1984 at the earliest.

Moreover, the report says that gnp, which amounted to 342,000m kroner in 1979, will, by 1984, be rising by only 3.5 per cent annually. Inflation, now running at 9.5 per cent, may approach 12 per cent by next year.

Using hindsight, it is now clear that Denmark's boom years in the 1960s were fuelled by inexorably rising external deficits, with preventive action being taken until the oil crises of the 1970s rammed home the country's endemic economic weaknesses. It has not recorded a balance of payments surplus since 1963.

The crux of the crisis is, in many ways, energy. Resourceless Denmark relies on imported oil for 80 per cent of its energy requirements, and returns from its

North Sea gas and oil fields will not be fully harvested until later in the 1980s. In 1979 the bill for imported oil was about the same size as its balance of payments deficit, 15,600m kroner, and is expected to exceed 21,000m kroner this year. One government economic package after the other is seen to be necessary to keep the price of imported oil from going up seven times.

The crisis is also one of political will. Not since 1969 has the proportional representation electoral system allowed the country to have a one-party majority government. In today's Folketing (Parliament) there are 10 political parties, so majority view politics is very much the order of the day—a very democratic situation, but not one conducive to solving economic problems, many observers suggest.

It was against this back-

ground that the seven-month old Social Democratic minority government of Mr Anker Jørgensen, the Prime Minister, gained the support of three small centrist parties, People's and the Centre Democrats earlier this month, for a new tough economic crisis package.

The Government's latest economic package follows a 5 per cent devaluation of the krone last autumn—the first unilateral devaluation of the currency since the war—and a crisis programme passed last December limiting pay increases and freeing prices until 1981. The new package—presented to Parliament in early May after a month of negotiations—comprises tax increases (notably on energy) of 5,000m kroner and public expenditure cuts of about 8,000m kroner. The package also provides for 5,500m kroner of state revenue to help Denmark's

depressed export industries and limit unemployment. The new taxes hit incomes, electricity, oil and petrol, and value-added tax is to be raised from 20 to 22 per cent. Compensation to protect old age pensioners and other socially vulnerable groups from the worst effects of the package is also allowed for in the new package.

Plans to impose a temporary state tax on property, to increase weight tax on private cars, for means-tested pensions, and to channel 5,000m kroner from pension funds and insurance companies into investment capital for industry have all been shelved. While the Ministry of Finance has calculated that the package will stabilize Denmark's balance of payments deficit at about 16,000m kroner this year, reducing it then steadily, until balance is achieved in 1989, experts

fear that further drastic economic measures will be necessary long before the current package expires in 1981.

With new Opec price rises looming, many observers predict that there will be a puncturing of the present economic measures abroad by the autumn. Furthermore, a recent survey published in the magazine Institutional Investor reveals that Denmark no longer figures in the list of the top 20 most creditworthy nations in the world. Now lying twenty-first, Denmark has been ousted from its previous twentieth position by China. Mr Ivar Nørgaard, the Minister of Economy, recently predicted that in 1980s would see no let-up in Denmark's economic gloom. So Mr Hansen will have a hard time, although he is expected to survive. Christopher Follett

## Sweden

## Dangerously dependent on foreign support

Despite gloomy forecasts by many Swedish bankers, the economy continues to expand. Preliminary figures for investment plans in 1980 show a continued rise in volume.

Last year the nation achieved 4.25 per cent gnp growth on a flood of exports, while consumer prices rose by 8.5 per cent. Disposable household incomes increased by a nominal 2.5 per cent and are expected to rise by 2.3 per cent this year, depending upon central wage negotiations under way.

Most economists believed the gnp would rise by about 2 per cent in 1980 amid tightening of demand policies which would restrict economic growth. In its economic policy statement earlier this year, the Government predicted gdp growth in 1975 prices of 3.6 per cent in volume. A 4 per cent rise in exports was forecast.

The policy statement suggested that growth in gross investment during the year would slow to 4.7 per cent, while private consumption would nearly stagnate. Public consumption was expected to drop to 2.7 per cent in 1980 compared with 4.5 per cent last year.

Sweden's external imbalance was caused mainly by rising oil prices, while economic balance within the nation has been disturbed by a faster growth rate in public sector spending than in Sweden's total assets. The current account's payments deficit is more than 12,000m kroner.

The Government believed that economic policy this year should be characterized by bolstering growth and employment in the import and export competing sectors and reducing oil dependence. Limits in public and private consumption as well as measures for

disadvantaged groups in society were viewed as additional priorities.

Mr Lars Wohlin, governor of the Central Bank, said that it would not be possible for Sweden to bridge an international recession by expanding domestic demand. Otherwise inflation running at about 9 per cent would be ignited. He added that Swedes are living dangerously in the sense that our dependence abroad stands out more clearly than ever.

A survey published in February showed that industrial investments were expected to rise by 20 per cent in 1980 to a total of 17,200m kroner. Sectors reporting major increases were mines, timber, chemicals and steel. Industrial production in Sweden in January was up 7 per cent compared with the same month in the previous year, with the largest increase registered for engineering.

The draft budget bill for 1980-81 presented by the Government suggested a record deficit of 55,400m kroner in the fiscal year ending in June. A revenue rise of 6.9 per cent for a total of 148,500m kroner was predicted, with expenditures advancing 9.3 per cent compared with 1979.

Wage explosions in the late 1970s adversely affected Sweden's trading position. During this period, the nation lost nearly 20 per cent of its market shares. "The party's over, and the bills are in," said Dr Tore Browaldh, who presides over Svenska Handelsbanken and numerous Swedish and international institutions. "We created a wonderful inflation machine, and I hope we'll be among the first in the world to turn it off."

Dr Browaldh felt that the first years of the new decade would be difficult for his country, because domestic demand must be pushed downwards to sharpen international trade competitiveness. "But we are building on such solid foundations. We have got the new growth industries in advanced electronics and biochemicals and pharmaceuticals."

Historically, Sweden has been dependent upon innovation and invention, whether it was the Ericsson telephone or the ball-bearing. "We have a vast array of technological experience to draw upon," Dr Browaldh said. "A successful pharmaceutical company like Astra, for example, has the most rewarding collaboration with universities, and we have Nobel Prize winners in medicine."

Swedish industry is introducing robots faster than anywhere else in the world to improve competitiveness. Only the United States and Japan have more industrial robots, with Sweden claiming nearly 10 per cent of the world total. The Kautfeld company in Stockholm, for instance, is Europe's biggest manufacturer, supplying about 400 robots to Europe and the United States since 1967.

Sweden's high labour costs and pioneering work environment protection laws have meant that robots were introduced early. More than 5,000 robots are expected to be operational in Sweden by 1985, with the bulk of production destined for export. Swedish robot engineering is regarded as so advanced that research groups are still testing ways to use the machines. In a recent experiment at the University of Nottingham, for example, a task force successfully determined how a robot manufactured by a Swedish company could perform a palletizing operation.

Roger Choate

## Finland

## Revaluation an answer to overheating

Finland is still in the middle of an unprecedented export boom, and the signs of impending difficulties have not yet reached Helsinki. On the contrary, upward revision of this year's growth estimates is a weekly task for Finnish economists.

In February government officials predicted that this year's growth will be 4.5 per cent. But already in March Mr Ahti Karjalainen, acting Governor of the Bank of Finland, spoke about 6 to 7 per cent growth. This means that Finland will experience a second very good year. Last year the growth rate exceeded 7 per cent.

Present optimism has been strengthened by the fact that the wage settlements reached in this spring's negotiations were rather moderate for a boom year, averaging just over 10 per cent. No overall framework agreement was reached this year; as the biggest unions have reached agreement with the employers, but smaller unions could still cause unpleasant surprises.

The favourable situation has made overheating, the most imminent concern for the Government and the Bank of Finland. They are trying to hold inflation down and avoid the serious imbalance in foreign trade which usually follows a boom in a country that imports most of its machine tools and energy. Officials have resorted to using a weapon previously untried in Finland: revaluation of the Finnmark.

Last autumn the Finnmark was revalued for the first time, and the overall strengthening of the Finnmark in 1979 was 2.3 per cent against the basket currency. In January the Government widened the fluctuating limits of the Finnmark, and the Bank of Finland used this to revalue by a further 2 per cent in late March.

Latest Efta estimates are that Finland will be able to keep its inflation below the Western average, as it did last year, when its inflation was 8.6 per cent. The 1975 recession affected Finland especially badly because it had lost its international competitiveness through excessive inflation. Correcting the situation demanded harsh measures, which included devaluation, a fall in the standard of living, and tough fiscal measures. The price included a record 8 per cent unemployment.

Unemployment has eased during the present boom, but it still stands at nearly 10 per cent. This is a sore point for the Social Democrats and the Communists, who form the present coalition Government with the non-socialist Centre Party. The Government is led by Mr Mauno Koivisto, Governor of the Bank of Finland, and it has kept the economy on a tight rein. Unemployment helped to keep the wage settlements more moderate than exports dared to hope for, and the Government has a good chance of keeping the country away from serious economic difficulties.

An important confidence-building factor is the state of industry. The recession forced companies to trim their organizations, and they are now much better prepared to meet difficulties. Also, a wide national accord, which was created during the recession and which is deeper than anything seen before in peacetime, is still visible, as memories of the recession are not forgotten.

The balance of trade went into the red at the end of the year, with a deficit of Fmk1,000m (€125m) recorded during the first two months of this year, but the situation does not resemble the dark years in the latter half of the 1970s when deficit records were made.

The trade deficit comes



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from oil prices. Finland buys most of its oil from the Soviet Union, and the Soviet trade is conducted on a barter basis, which means that at the end of a five-year period a balance is reached. New export deals have been made with the Russians, and they are expected to correct the deficit, which was about Fmk2,000m last year.

All this means that free trade with the Western countries is in the black. Export demand continues to be strong. Last year the volume of exports rose by 10 per cent and the value by 23 per cent.

The situation in the forest industries has improved all the time, and mills are running more than 95 per cent of their capacity. The industry has been able to improve its market share in most important markets, because the productivity and competitiveness have improved markedly. The growth of the metal industry's exports in West European markets has been most encouraging. This year has brought in new and important machine tool orders, and especially the paper machinery builders have been able to announce several new orders from all over the world.

Shipyards were able to conclude major deals during the winter. Even the market for luxury cruise liners was reopened after an interval of several years. Overall, exports to the EEC and Efta countries rose by a third in value last year. Oil prices made the Soviet Union the biggest single trading partner, followed by Sweden, the United Kingdom and West Germany.

Finland's banks registered a 16 per cent growth in lending in 1979, which was in step with the growth in the value of total growth. The favourable situation overall and the good balance of payments brought money to

Finland in the first half of 1979, but this was reversed by the emerging trading deficit and the high level of lending rate in other countries. Finland had to follow suit, and it increased the lending rate first by 1.25 per cent in November 1979 and a further 0.75 per cent in February 1980. This stopped the depletion of currency reserves.

Because of the obvious danger of overheating, the Bank of Finland started to tighten credit at the end of March. The bank had issued a warning in November 1979, but this did not calm the credit markets, and the bank had to make a clear statement: control credit or tougher measures will follow swiftly.

The Bank of Finland pointed out that especially housing and consumption loans must be curbed. Last year saw a 30 per cent rise in housing credits, and a 25 per cent rise in commercial banks' loans. The bank also postponed investment credit to next year, whenever possible. Investments are running, and the Bank of Finland wants to ensure that the activity is saved for later, when recession is likely.

In its circular letter to commercial banks, the Bank of Finland pointed out that consumption must be controlled tightly if the inflation rate is to be kept down. The balance of payments, at a tolerable deficit, is under pressure abroad and a fast growth rate from a dangerous inflation, which threatens to restart runaway inflation, and the latter has been postwar economic head-

Olli Kivimäki

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## Norway

## Over-optimism yields to sobriety

Nations would envy prospects for the world's economic problems were gloomy. This is crucial to Norway, which has about half of its economic activity involved in oil. The policy of subsidizing industry to maintain full employment has also left the country with a distorted industrial structure. Finally, and most important, the reports of prospective oil profits created a spirit of over-optimism, as many groups rushed forward to get their share of the oil wealth.

There can be little doubt that the prospective wealth from oil is great. With the average tax on the oil companies raised recently from 69.2 to 81.8 per cent, the Ministry of Finance projected on March 21 paid taxes and royalties of 281,000 kroner (\$25,000m) from 1980 to the end of 1985. Although this may be reduced somewhat by policies which will be adopted as a result of recent events, it is still a lot of money for a country of four million people.

The difficulty is that figures like this leave important considerations out of account. They assume that no disaster will befall the world, such as a halt to the oil supply from the Middle East or a serious drop in the world economy. They also assume that nothing will happen to the oil installations or pipelines in the North Sea which will seriously affect the flow of oil and gas.

Furthermore, figures related only to the income from oil leave out of account what is likely to be happening to other exports. In this connection, in its latest report on Norway, the OECD predicts that the oil current deficit is likely to widen, largely absorbing the increase in nominal oil revenue.

Aware of these realities, the Government is trying to pursue a sober policy, based on giving priority to paying off foreign debts. If the OECD estimates prove correct, Norway will manage to clear off only a quarter to half of them by 1985.

After hearing so long, however, about the benefits of oil, many people want to see them in the concrete form of increased wages and tax reductions. This was reflected in the recent wage negotiations between the labour and employer federations. A mediated agreement was finally reached when the Government sweetened the offer with 1,400m kroner (\$124m) in tax reductions and child subsidies. The settlement is inflationary, but the Government is still hoping to keep Norway's inflation level (which is mounting) below that of the rest of the OECD. Whether the combination of increasing prices on imports and domestic pressures will permit this remains to be seen.

In addition to the questions of what to do about the foreign debts and wages, the Government is confronted with some rather difficult policy decisions.

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about industry. These involve particularly what to do about the aluminium and ferro-alloy industries, which consume so much energy.

The Government proposes to increase the cost of energy to these industries. Its efforts to rationalize industry are, however, inhibited by its unbending determination to maintain full employment. Not only full employment but a district policy which largely perpetuates the population pattern.

According to a recent official report, by the end of this decade Norway could be getting about a quarter of its gross national product and nearly half its exports from oil. This is a lot, particularly when one considers the risks in the North Sea. Furthermore, in a desire to Norwegianize the oil industry, the Government has proposed to take on an increasing share of the risk.

It is not yet entirely clear what impact recent events in the North Sea will have on all this. Certainly, the bubble of over-optimism has been punctured. Government officials returned from their Easter holidays in the mountains in a sober mood. Mr Odvar Nordli, the Prime Minister, set the tone by declaring that Norway could not afford to pay so high a price in human lives for its oil venture. Norway is, however, already heavily dependent on the oil income, and the pressures to move forward—even at a somewhat reduced pace—are strong.

A recent report of the Central Bureau of Statistics concluded that "with a weak economic trend abroad, a high level of demand, a tight labour market and a continued weak competitive position for manufacturing industry, the problems which characterized the Norwegian economy in the middle of the 1970s may easily re-emerge." Furthermore, "it will be difficult to enjoy the fruits of the profitable oil activities without having an adverse effect on manufacturing industry's competitive position".

John Ausland

## Iceland

## China angles for favour of fisherfolk

There are new sagas being played out and written in Iceland as the Chinese set out to woo the islanders away from the influence of the Soviet Union.

For many years the extreme left-wing socialists have had a major role in politics, but at the end of 1979 the communist-dominated coalition government collapsed. After the election in December it took several weeks and three attempts to form a new government. Finally, in February, Mr Gunnar Thoroddsen, deputy chairman of the Independence Party, emerged after much political manoeuvring as the new Prime Minister and leader of a new majority Cabinet.

The influential socialist left, which forms the People's Alliance, was held by many to be responsible for the continuing price rises during its six-year term of office. There has always been a high rate of inflation, but since the early 1970s it has risen steeply each year, reaching 60 per cent in 1979. Some economists on the island believe it may reach 100 per cent by the end of this year.

As Mr Jonas H. Haralz, general manager of Landsbanki Islands (the National Bank of Iceland) put it: "We have gone from creeping inflation to Latin inflation." Between the 1950s and the 1970s inflation had been held at less than 10 per cent, but that was still a high level of inflation. The OECD average, "We were on a par with countries like Finland, Australia and New Zealand," Mr Haralz said. He added that the communists could not take the entire blame for the sudden rise of inflation.

"We are prime producers," he says. "Like all prime producers we have a commitment to full employment, and this has contributed to the problem. We had too many goals, too much expansion, and

could not control the monetary system and economic expansion." He said the country had suffered from a fixed exchange rate which had subsidized exports for too long. But now a floating rate had been introduced which meant easier borrowing on the Euromarkets.

Iceland relies heavily on fishing and has one of the most modern and efficient fleets in the world. Catches in 1979 reached a record 1,632,000 tonnes compared to 1,548,000 tonnes the previous year. Vigorous attempts have been made to diversify the economy by developing aluminium smelting and ferro-silicon production.

Exports rose last year by 12 per cent to \$790m. There was an overall balance of trade surplus of \$23.5m, slightly down on the 1978 figures. The acute rise in the cost of oil imports—mostly bought on the Rotterdam spot market—at \$151m had a major effect on all sectors.

Gross national product grew in real terms by only 0.7 per cent (2 per cent per capita)—a good deal less than the forecast of 3 per cent. This was less than the 4.2 per cent for 1978 and 6 per cent for 1977.

According to the Central Bank, wages and salaries rose by an average of 43 per cent but, because of the indexation system employed, it was a real increase of only 3 per cent. Unemployment remained at a negligible 0.5 per cent. The high cost of oil, much of which comes from the Soviet Union is a major consideration in the current round of negotiations and new supplies are being sought including Britain and Saudi Arabia. Wages are normally agreed on a quarterly indexed-linked basis.

The United States is Iceland's biggest single trading partner, taking \$1,000m worth of exports last year. The total to all EEC countries was \$6,000m.

The United States also contributed at \$15,000m to the island's economy for the use of the

strategically important NATO base at Keflavik, a contentious subject as far as the People's Alliance Party is concerned. Had they gained control in the December election it is possible that the question of the NATO base remaining might have been raised once more.

For this reason, according to some observers, the Chinese mission has been active in cultivating influential contacts and building up considerable good will as they have been doing in Finland—which also has a special relationship with the Soviet Union.

Although much criticized, Keflavik is important economically and has a number of valuable spin-offs. About 1,400 islanders are employed directly, or indirectly, on the base and several joint development schemes have taken place, such as a new district heating system for 12,000 people. In addition, the island's civil airline has a subsidized international airport.

Plans to build a multi-million kroner terminal building have been shelved, for the moment, because of the financial situation this year, but the strategic importance of the base is increasing because of the general international situation and increased Soviet activity in the Nordic regions. Last year, NATO aircraft flew 170 interception flights from the base to meet Soviet aircraft, more than twice the average.

There is generally a good relationship with the United States. Apart from direct exports, one company, Isbjorninn, has established a marketing company, the Coldwater Seafood Corporation, in the United States to sell its products under the Icelandic Brand label.

It has one of the most modern processing plants in Reykjavik where all the fish-filleting and packing lines are fully computerized by IBM and financed by the Landsbanki, one of the big banks in the island.

The others include the Urvalsbanki (fisherman's bank) and an agricultural bank—all state-controlled but operated independently.

Michael Frenchman

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## Worry over future of economy

Although oil has been of great benefit to the Norwegian economy, Norwegians must give more thought to how dependent they should become on oil. Mr Knut Getz Wold, Governor of the Bank of Norway, expressed this view in a recent interview with John Ausland on the prospects for the Norwegian economy. The interview took place not long after a hotel platform overturned in the North Sea, with the loss of 123 lives. This event has precipitated a debate in Norway on the future of the oil venture.

In view of the general state of the world economy, Mr Getz Wold is concerned about the future of the Norwegian economy. If Norway is to solve its economic problems, he says it will have to follow a prudent course. This includes, above all, maintaining Norway's competitive position in the world economy and using the oil income to pay off the large foreign debts which Norway has acquired in recent years.

In your recent annual address, you said that "the dismal prospects for 1980 and the great uncertainty about the trend in the world economy in the coming years entail great challenges for the Norwegian economy". Could you elaborate on that?

All the forecasts, such as the OECD and the IMF, predict either a zero or small rate of growth for the industrial world. The Norwegian economy depends on world market conditions, since nearly half our income comes from world trade. The sensitivity of our economy varies from sector to sector, but oil has helped us to get through these years as well as we have.

What do you see as the main problems confronting the Norwegian economy?

Our main problem is to maintain the improvement in Norway's competitive position which took place during the past two years but which has only partially compensated for the deterioration during the preceding years.

Another problem is to resist the pressures on the Government to spend the oil income. As a result of oil investments and the Government's counter-cyclical policy, there is a large foreign debt hanging over Norway. The prudent thing will be to pay this off.

A recent government report

Another important reason is that spending still more of the oil revenue in Norway would inflate our economy and undermine the competitive position of many industries often located in outlying districts. Thus, I believe we should use our increasing oil income to pay our debts.

You noted earlier that Norway is having some difficulty competing in the world market. Could you comment on what happened and on the prospects?

There was a combination of factors: wages rose more quickly than elsewhere and the exchange rate of the Norwegian kroner increased. Productivity went down, often because of "hoarding of labour" in industries faced with reduced demand for their products. The net result was that unit costs rose sharply until 1977, and we found it difficult to compete. The recent wage and price stop helped a good deal to reverse this development.

But there are now strong pressures for wage increases again. I would like to be optimistic, but it is not easy.

Some of our major industries, like aluminium and ferro-alloys, have an important competitive advantage these days because of relatively cheap hydroelectric power. Also, our pulp and paper industries now fare well.

The Government is preoccupied with maintaining full employment, even at the expense of other factors in the economy. Could you comment on this?

You must understand Norwegian history. Just as the Germans are obsessed with inflation as a result of their experience between the wars, so Norwegians feel strongly about unemployment.

While the insistence on full employment limits the Government's options on economic policy, I see no possibility that there will be any change. All political parties agree on this point. It would help if there could be more mobility of labour—and that may be possible.

Norwegian taxes are among the highest in the world. What effect do these have on the functioning of the economy?

For one thing, they blunt incentives. For another, they encourage the growth of the "underground" economy. Let me say that the egalitarian income distribution in Norway has important social and political advantages.

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\* International Herald Tribune, October 3, 1979

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## THE HAUGHEY DIMENSION

The Irish are placing a very high significance on today's meeting between Mrs Thatcher and Mr Haughey.

Mr Haughey was able to oust Mr Lynch from the office of prime minister last year chiefly because Fianna Fail TDs in sufficient number had come to regard Mr Lynch as too soft or acquiescent in the face of Ulster separatism. Mr Haughey, a man to put republican muscle into the Irish government's Northern policy, was the man for them.

He at once declared that his Government would put the Northern question in the forefront of its priorities. He has said that the opportunity to rescue a disintegrating society in Northern Ireland is slipping by; that a conclusive settlement can no longer be delayed; that internal arrangements for the government of the province within the United Kingdom, however important, are not central to progress towards a settlement; that only clear movement towards Irish unity will suffice; and that the impetus must come from a declaration by the British government of its interest in encouraging the unity of Ireland by agreement and in peace.

Now the moment has come for Mr Haughey to discover for himself, and acquaint his countrymen, whether that approach is going to lead him anywhere. He is looking to Mrs Thatcher for some indication that she is prepared to give the unionists of Ulster a shove in the required direction.

Irish hopes of this meeting are justified by a reading of Mrs Thatcher's political character as exhibited by Mr Haughey's conservative in her radical in execution. Her manoeuvre of disengagement from Rhodesia makes a sharp contrast with her previous position under internal pressure; a banging door of heads; deafness to calls founded on wartime duties; a brilliantly executed tactical endorsement and a quick dash to a safe distance. It is not a blueprint for a quick dash to a safe distance. It is not a blueprint for a quick dash to a safe distance. It is not a blueprint for a quick dash to a safe distance.

### A savagery

Mr Haughey is likely to be disappointed in the meeting but not surprised. He will be disappointed because the British Government has no business to appeal or coax the people of Northern Ireland into another treaty under another sovereignty. There is a large and settled authority there with no desire to elude that road; when that authority includes (on the evidence of opinion polls) a stable proportion of the Roman Catholic community; and when the majority has been undented for ten years of savagery by the IRA. He will be disappointed because any indication that he was preparing to force a hand of Ulster unionists in

the cardinal matter of allegiance would deeply unsettle the province, make far more difficult the task of governing it, and precipitate preparations for civil war.

That is professedly disbelieved in Dublin. There is supposed to be a London gentlemanly attitude to the game is up, that everybody's interest would be best served by the unionists' contemplating a future without the union, Ulstermen, being of a practical disposition, would set about making the best of it. For once Englishmen see more clearly into Irish history, having the advantage of closer acquaintance this century with Dublin has had. There is nothing in that history to promote a belief that Ulster Protestants would go quietly if deserted.

### Right analysis

Yet, while not obliging Mr Haughey, Mrs Thatcher will be anxious not to rebuff him. She needs a fair wind from Dublin for her government's forthcoming proposals for a provincial Ulster assembly and executive. She needs to foster the improved cooperation between the security forces both sides of the Irish border, and to encourage Mr Haughey in his tough measures against IRA activity within the Republic. She needs to minimize the nuisance an aggressive Irish government can make of itself over Britain's foreign relations in general, and with Washington and the EEC in particular.

Moreover, there has always been something transitional about the administrative province of Northern Ireland. The 1920 Government of Ireland Act which established it looked forward to the possibility of coalescence between North and South and provided means for effecting it. Great Britain has never gone rock hard on its union with Northern Ireland. Had it done so the province would long ago have been fully integrated into the administrative system for the rest of the kingdom. Recently Westminster has chosen to ignore the axiom that a society which exhibits conflicting allegiances of powerful historical and cultural force can have no assured stability until one prevails indisputably over the other—and by ignoring that axiom it has denied itself the best political strategy for defeating republican violence, which is to deprive it of all hope of success.

At this point the Dublin analysis is right. Britain no longer perceives a strategic or economic interest in Northern Ireland, is not bound by sentiment, does not possess the will, sufficient in all three cases for a union with Northern Ireland that is free of all reservation.

For these reasons Mrs Thatcher will not wish to exclude the future possibility of Irish unity. But her position cannot be other than was written down at Sunningdale in 1973:

The present status of Northern Ireland is that it is part of the United Kingdom. In the future the majority of the people of Northern Ireland should indicate a wish to become part of a united State at the Foreign Office, did point out during last week's debate, that the Government already had powers under the Import, Export and Customs Powers (Defence) Act 1939, "not over contracts but as regards the shipment of goods", ie, including goods shipped under pre-existing contracts. He added that no decision had been taken to use those powers and promised that if any such decision were taken it would be approved by the House for approval. He failed to make it clear that there was every prospect of such a decision being taken as early as the following weekend.

To that extent it is understandable that MPs felt they had been misled, and the Government was certainly open to criticism for the way it had handled the affair. But it had not positively misled them. It could and should have defended itself and the decision reached, since it was a decision reached, not without difficulty, by nine governments in close and elaborate consultation, with the British Government insisting particularly that the Nine must act together. It might perhaps have been defeated. If so the defeat would have been honourable, and not tragic—since the number of contracts involved is small and the importance of the sanctions is admitted to be largely symbolic in any case. But to tear up a Community decision without even putting it to vote was undignified and lamentable.

May I add that I believe that the above anomalous state of affairs is nobody's fault in particular: parliamentary privilege just grew (a long time ago) and has not yet atrophied with "progress". Yours sincerely, JULIE J. COWDERY, 53 Dyne Road, NW6, May 15.

Ireland, the British Government would support that wish. The principle of self-determination is applicable to Northern Ireland without qualification. It is not for Mrs Thatcher to push or nudge Ulster unionists southwards. It is for Mr Haughey to attract them thither if he can. He has come to London, it is thought, primed to discuss such ideas as federation, dual citizenship, joint guarantees. He should address himself in the first place to Belfast and seek a response there. If he prospers, that will be the time for British and Irish ministers to look into such topics together.

The Republic of Ireland has been changing rapidly in ways that might be expected to interest Ulstermen north of the border. It is exhibiting an entrepreneurial flair. It has acquired expertise in professions ancillary to business (previously more characteristic of Belfast) such as management consultancy, commercial law, accountancy, of which Mr Haughey is himself an ornament. Its economy has been growing at a much faster rate than that of Northern Ireland or the United Kingdom as a whole. It is more "European" in sentiment than England is, and more adept at exploiting the Community to its own advantage. The horizons of its governing, business and professional classes are increasingly continental and global, now that the country has found its feet in the European Community and at the United Nations.

Yet Irish governments have made no systematic attempt to explain to Ulstermen in the light of these trends what precisely their envisage in their aspiration to Irish unity, what advantages might await Ulster, what financial, civil and religious guarantees might be available, what constitutional and legislative changes Dublin for its part would make. Modern Ireland (South) has a lot more to offer Ulstermen of planter stock than the Ireland of Arthur Griffiths or de Valera had. But it is for Irish nationalists to convince them of the advantages of making common cause, not for the British government.

### The only way

There is only one route to the unification of Ireland by agreement, and it does not start from a declaration by the British government that that is what it intends to work for. It lies through the further development of the economy of the Republic: the adaptation of its institutions to the wider outlook of its educated citizens; the cultivation of a more instructed and sympathetic understanding of the Irish tradition of Ulster Protestantism; the abandonment of all equivocation concerning the use of violence to achieve unity and the resolute suppression of its manifestations; and a patient programme of action to win over the minds of unionists. At that point a British government will be found ready enough to facilitate transfer of sovereignty. That is the only route to unification by agreement. No other kind, even if possible, is worth having.

State at the Foreign Office, did point out during last week's debate, that the Government already had powers under the Import, Export and Customs Powers (Defence) Act 1939, "not over contracts but as regards the shipment of goods", ie, including goods shipped under pre-existing contracts. He added that no decision had been taken to use those powers and promised that if any such decision were taken it would be approved by the House for approval. He failed to make it clear that there was every prospect of such a decision being taken as early as the following weekend.

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## Retaining Britain's nuclear capability

From Mr S. D. Bailey

Sir, Lord Greenhill (May 16) is right to stress the danger that nuclear weapons will be acquired by irrational authorities. The threat is also the risk that such weapons might fall into the hands of terrorists or criminals. In addition to the six or seven states which make their own nuclear arms, there are probably some 25 countries which possess the technical capability to make nuclear explosive devices, even sophisticated delivery systems are beyond all but a few. This underlines the importance of an effective strategy to halt and reverse nuclear proliferation.

A conference to review the nuclear non-proliferation treaty will open in Geneva in August, and some of the new-nuclear states will undoubtedly deploy precisely those arguments for strategic nuclear independence which have been aired in your columns by distinguished former officers and diplomats. The United Kingdom will be making a convincing case against proliferation which does not at the same time undermine our own case for Polaris and a sea-based nuclear force.

I am regrettably driven to the conclusion that present policies will not prevent the horizontal proliferation of nuclear armaments. SYDNEY D. BAILEY, 19 Deansway, East Finchley, N2.

### Status of the midwife

From Mr Albert Davis

Sir, Mrs Kitzinger (May 13) firmly believes that "midwives matter". Of course they do: without their training, care and specialized expertise the maternity services would break down. But to increase their already fully extended capabilities by a reversion to home confinements, as Mrs Kitzinger advocates, is both unfair to the midwife and potentially harmful to her patients. Under the best conditions delivery at home is a makeshift compromise between patient concern and medical inconvenience: in the worst it can be a dangerous gamble.

Midwifery is too important to be left exclusively to midwives. The hazards of delivery are too many and too serious to subject both patient and midwife to the risks inherent in the obvious lack of medical facilities at home. A lifetime of medical education and training is too important to be left exclusively to midwives. The hazards of delivery are too many and too serious to subject both patient and midwife to the risks inherent in the obvious lack of medical facilities at home. A lifetime of medical education and training is too important to be left exclusively to midwives. The hazards of delivery are too many and too serious to subject both patient and midwife to the risks inherent in the obvious lack of medical facilities at home.

ALBERT DAVIS, FRCOG, 93 Harley Street, W1.

### Alternatives to prison

From Mr Nicholas Hinton

Sir, The Home Secretary, in his statement (report, May 1) on the recommendations of the May Committee, the inquiry into the United Kingdom prison services, pledged the Government's support for alternatives to imprisonment. He stressed the increasing part that the outside community must play, whether through statutory or voluntary agencies.

I welcome this and other responses by the Home Secretary to some of the recommendations of the May Committee. I am sure that your view, "a disservice to the cause of press freedom" (leading article, May 8).

The Court acknowledged the right of the media to a limited privilege not to have to disclose its sources—provided it acts responsibly. And Lord Denning recognizes that such responsibility may even be exercised by publication itself: "if it is a case of a trustworthy informant who gave information of which the public ought to know, then, even though it originated in confidence, the newspaper might well be held to act with the same responsibility in publishing it and should not be compelled to divulge its source." This may actually be an advance on the pre-existing law.

Nevertheless, the Court ordered disclosure of the informant's identity: not, it seems, because of what Granada did, but because of the manner in which it did it. All three judges rap the knuckles of the television company for its bad form: it left it too late before informing the Chairman of BSC of the secret documents; it failed to show him the script before he was

### Scottish art influence

From Lord Haig

Sir, I must disagree with Michael Jacobs (May 15) about Scottish art influence. Taking the factors of selection and distortion into consideration, I am left with no doubts about the way the late Sir William Gillie interpreted "the ever shifting lights and colours of Scottish weather". His paintings convey not only the mood of our landscape seen in a soft light but its local colour particularly vibrant in winter or wet weather. I doubt if he ever painted in Antibes but if he did the experiment had nothing to do with his later paintings.

Yours truly, HAIG, Banagsyde, Malrose, Northumbria.

## Civil Service pay and comparability

From the Secretary General of the Council of Civil Service Unions

Sir, You assert in your editorial, "Engine of inflation" (May 17), that the Government "has gone much further than simply honouring agreements in the Civil Service and you grumble about Government giving no sign that it intends to dis honour pay agreements and end the pay research system. Let me explain what happened this year."

Management assessed the outcome of negotiations on pay research data before negotiations commenced. A cash limit of 14 per cent was fixed. The Government did not say how this precise figure emerged but it was clearly intended to influence pay negotiations. Bargaining was particularly difficult and unions can argue, in some cases, unrelated to facts and past procedures. Management was clearly determined to produce a pre-bargaining position. Pay increases were finally achieved, within these constraints, but subject to (i) an arbitrary 2.3 per cent cut in manpower costs and (ii) deferment of the operative date, in defiance of the pay agreement, from April 1 to May 7.

Arbitration was theoretically open to the unions, but only on the size of increases. Had unions achieved higher figures there would have been a more severe arbitrary manpower squeeze. We were informed that arbitration about the method of payment, ie, staging or the first time, but arguably a breach of the arbitration agreement.

Given this factual background, it is more than difficult to understand your assertion that Government honours agreements. The truth is that they have moved very fast in the opposite direction. You should therefore express pleasure in this moral process.

You allege that the pay research system purports to link civil servants' pay "to the rest of the economy". It purports to do no such thing. The primary principle for pay is fair comparison with the remuneration of outside staff employed on broadly comparable work taking account of differences in other service conditions. An independent unit produces facts and an independent board monitors and authenticates unit activities. These are not minor technical points but are strictly related to your arguments. If the detailed facts are

### Health Service change

From Charles Morrison, MP for Devon (Conservative)

Sir, Just as you are right once again to draw attention to the unpopularity of the 1974 reorganization of the Health Service (leading article, April 30), so you are correct in expressing scepticism about current plans for further reorganization. The main objectives of the Government's consultative document, "Patients First", are to strengthen management and simplify the structure of the service. Thereby it is intended to make savings in bureaucracy and costs, releasing money for the benefit of patients. These objectives are admirable, but the suggested methods of achieving them are of extremely doubtful validity.

The main government proposal is to abolish area health authorities and replace them with district health authorities. In effect this will mean that the existing 90 area health authorities will be replaced by roughly 150 district health authorities. If that is not a recipe for an increase in bureaucracy, it is difficult to imagine what is.

For a start, the Government proposes that each district health authority should have about 20 appointed members instead of the 18 or so at present. Has anyone managed to estimate the costs of servicing this huge increase in the number of appointed members? Then there is bound to be a multiplication in the number of officers.

### Disclosure of sources

From Mr Raymond Wacks

Sir, The Court of Appeal's decision (10 BSC v Granada Television, Law Report, May 13), though perverse, is not necessarily contrary to your view, "a disservice to the cause of press freedom" (leading article, May 8).

The Court acknowledged the right of the media to a limited privilege not to have to disclose its sources—provided it acts responsibly. And Lord Denning recognizes that such responsibility may even be exercised by publication itself: "if it is a case of a trustworthy informant who gave information of which the public ought to know, then, even though it originated in confidence, the newspaper might well be held to act with the same responsibility in publishing it and should not be compelled to divulge its source." This may actually be an advance on the pre-existing law.

Nevertheless, the Court ordered disclosure of the informant's identity: not, it seems, because of what Granada did, but because of the manner in which it did it. All three judges rap the knuckles of the television company for its bad form: it left it too late before informing the Chairman of BSC of the secret documents; it failed to show him the script before he was

### Such a tasty dish

From Sir Peter Tennant

Sir, Pease pottage nine days old must be pease soup which gradually solidifies the longer you keep it. It is not exactly a vegetarian dish since it is best when combined with salt pork and bacon. Old pea soup is much the same (if not sour) as fresh pea pudding, which consists of soaked dried peas, cooked together in a cloth beside the salt pork, mixed with a seasoning of mint, sugar and pepper. After about two hours the pork and the pudding are ready.

The pudding, the size of a small football, is eaten hot with the pork and for some reason must be split open with two forks and never cut

right, and for most of the service comparable work can be found, the negotiated pay levels for civil servants must reflect market rates, ie, in your own terms, pay is linked to outside rates necessary to attract people to fill jobs. This being your flexible answer to the abolition of the system, I have to say it is meaningless.

The system is a long way from the old trade union position that the state should be a model employer. But some form of comparability is basic for Civil Service pay bargaining and the system we have is sophisticated and fairly precise. Nobody has yet, external and internal critics alike, managed to come up with sensible alternatives and your editorial contributions nothing.

The Civil Service, paraphrasing Bagehot, is peculiarly vulnerable to mass ignorance, mass excitement and mass resentment. Out of an old faith, one hopes—as distinct from expectations—a little more balance and detachment. Yours sincerely, W. L. KENDALL, Secretary General, Council of Civil Service Unions, 19 Rochester Row, SW1.

### From Mr Arthur Coleridge

Sir, When I was a young man in the 1930s, anyone leaving school with a respectable degree might choose between the "public service", and either business or a profession. Those who opted to be Civil Servants knew and accepted that in return for (a) almost total security of employment, (b) a generous pension, (c) a comfortable and ample holiday, (d) retirement at 60, and (e) if you like—the satisfaction of serving their country, they could not expect either the salaries or the risks inherent in the other alternatives.

These options were, I think, entirely reasonable and equitable. The most disastrous of all the goods to inflation today is that public servants now have manoeuvred themselves, with the aid of a succession of weak governments, into a position where they still get all the above benefits, and yet their pay is adjusted as if they did not! The sooner this unwarrantable anomaly is firmly got rid of, or de-Clegged, the better for all the rest of us and for Britain. What are the Cabinet waiting for?

Yours faithfully, ARTHUR COLERIDGE, 33 Peel Street, W8.

Furthermore, it should not be forgotten that county councils closely linked with the health service by reason of their responsibility for personal social services often will have to deal with two three or more district health authorities instead of one area health authority. That is bound to add to their costs.

Surely it would be more sensible to link community health councils more closely with area health authorities, thus providing better "grass root" representation at area level and cut out the existing district management tier.

I was surprised you opposed the abolition of regional health authorities. Their demise would create real savings. Although the Department of Health and Social Security may not be geared at present to deal directly with area health authorities, there is no reason why it should not become so, just as the Department of Education and Science deals directly with local education authorities.

A health service structure based on the department, area health authorities, and stronger management, attracted to the level which would save money and provide a better service to patients. What "Patients First" proposes will not achieve its stated objectives, but luckily it is only a consultative document and therefore the Government still has time for further thoughts.

Yours faithfully, CHARLES MORRISON, House of Commons, SW1.

### Cash outflow

From Mr Michael Posner

Sir, Your London Daily entry (May 20) gives me the opportunity to apologize for my jargon. I feared that "round-buying situation" might earn us a place in Private Eye under the on-going "situation" head. More seriously, I repeat my claim to the Public Accounts Committee that it is sensible and potentially very useful to study the causes of excess drinking among the young (schools, costs the individual and the taxpayer (through the costs to the NHS) dear.

As for the Polish village—well, British social anthropology has a high reputation in the international academic community, and I make no apology for spending a little less than 2 per cent of our research funds on work abroad.

As I told the PAC, we have very wide responsibilities—other examples I quoted to them included our work on energy, on macro-economic modelling (where we support all the young schools of thought), and on pre-school education. Most of the work is useful, but not much of it, alas, could provide breakfast table amusement, comparing to the examples your diary shares.

Yours faithfully, MICHAEL POSNER, Chairman, Social Science Research Council, 1 Temple Avenue, ECA, May 20.

### Oldest consulate

From Sir Geoffrey Jackson

Sir, Perhaps I have in mind an earlier "FO List" than Mr W. H. McVittie's (May 16). Mine referred to Mr Richard Furze, British Consul at Aleppo in 1833, shortly after the foundation of the Levant Company. No doubt he obliged there as *post-estante* for a certain lady whose "husband's" Aleppo gown, master of the "Tiger".

It may well have been his successor who, in 1873, organized in Aleppo what I understand is the first recorded overseas cricket match ever. Yours sincerely, GEOFFREY JACKSON, 638 Cadogan Square, SW1.

## 'Soaking' those who save water

From Mr C. A. Griggs

Sir, The air is already cloudy with appeals and admonitions that we should save water and all the signs are present that we are again entering that season when the water authorities, having failed in their duty to the consumer, attempt to blackmail us to cover their shortcomings and, in the process, charge us for our efforts.

In this school, four years ago, we heeded the siren voices. We banned baths, allowing only showers; we recycled water from our laundry; we gave up using our swimming pool when the level got too low; the appointed staff prefects too low; the appointed staff prefects too low; the appointed staff prefects too low.

And what was our reward? According to the water company our willingness to cooperate marked the occasion of our next quarterly bill not only by increased charges but by enforcing a minimum charge so that we both suffered inconvenience through saving water and were charged for the privilege of what we had never used.

I hope Mrs Sally Oppenheim's submission to the Water Companies Commission will make this particular piece of racketeering in mind and in both their time and our money, not appealing to us for economy. Not one spoonful of water in this school saved a drop of theirs. Yours faithfully, C. A. GRIGGS, Roselime School, East Brent, Somerset.

### TV portrayals of Germans

From Mr Peter Janke and others

Sir, The one-sided portrayal on television of Germans as "enemies" has a crucial bearing on British defence. The Federal Republic of Germany is a respected and powerful member of the Atlantic Alliance with us and other nations the burdens and anxieties of western defence generally. Equally it shares our determination to maintain the effectiveness of NATO as the deterrent to Soviet expansionism. This is to say nothing of the fact that the Federal Republic is our partner within the European Community.

For these reasons, and in the cause of ordinary good manners, the time has surely come to consider most seriously the effect of further television programmes on Second World War themes, whether these are designed to be merely humorous, or to convey a message for younger generations, or because of other topic appear commercially attractive.

We suggest that the exposure of Nazi aggression has been put across in the most ample way and that it has now been absorbed. Other messages of far greater current relevance have superseded and should demand attention from responsible producers.

Individually, on past occasions, a number of us have raised this subject with the various television authorities, but to little effect. Indeed, the concentration appears to have increased of late. We decided, therefore, to ask you to afford us the opportunity of voicing a protest publicly.

Yours faithfully, PETER JANKE, Institute for the Study of Conflict, KEITH BEST, RICHARD BARBER, Chairman, The Bow Group, JONATHAN ALFORD, International Institute for Strategic Studies, ALAN LEE WILLIAMS, English-Speaking Union, HARRY TUZO, Institute for the Study of Conflict, Royal United Services Institute for Defence Studies, Whitehall, SW1.

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**Social Focus**

**Richard Bourne**

(The Times, March 15, 1980) which dismissed his appeal from the Divisional Court. The Divisional Court refused Mr. Kassam, the husband of a Pakistani given leave to enter as a student, judicial review of the decision of the Immigration Appeal Tribunal refusing his application to be allowed to remain.

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### Visiting judge

Mr Justice David Edelstein, Chief Judge of the United States Federal Court for the Southern District of New York State, sat with Mr Justice Branson in the Queen's Bench Division.

Mr Justice David Edelstein, Chief Judge of the United States Federal Court for the Southern District of New York State, sat with Mr Justice Bristow in the Queen Bench Division.

of New Town expansion which makes Peterborough's claim for a new town status worth investigation — even though it has never had a new town area status as an inducement for firms. What is really significant is the finding of statisticians about what happens to firms after they relocate in the city: that on the basis of quarterly surveys of 150 firms they average a growth rate of 15 per cent a year; that, based on a survey by the Centre

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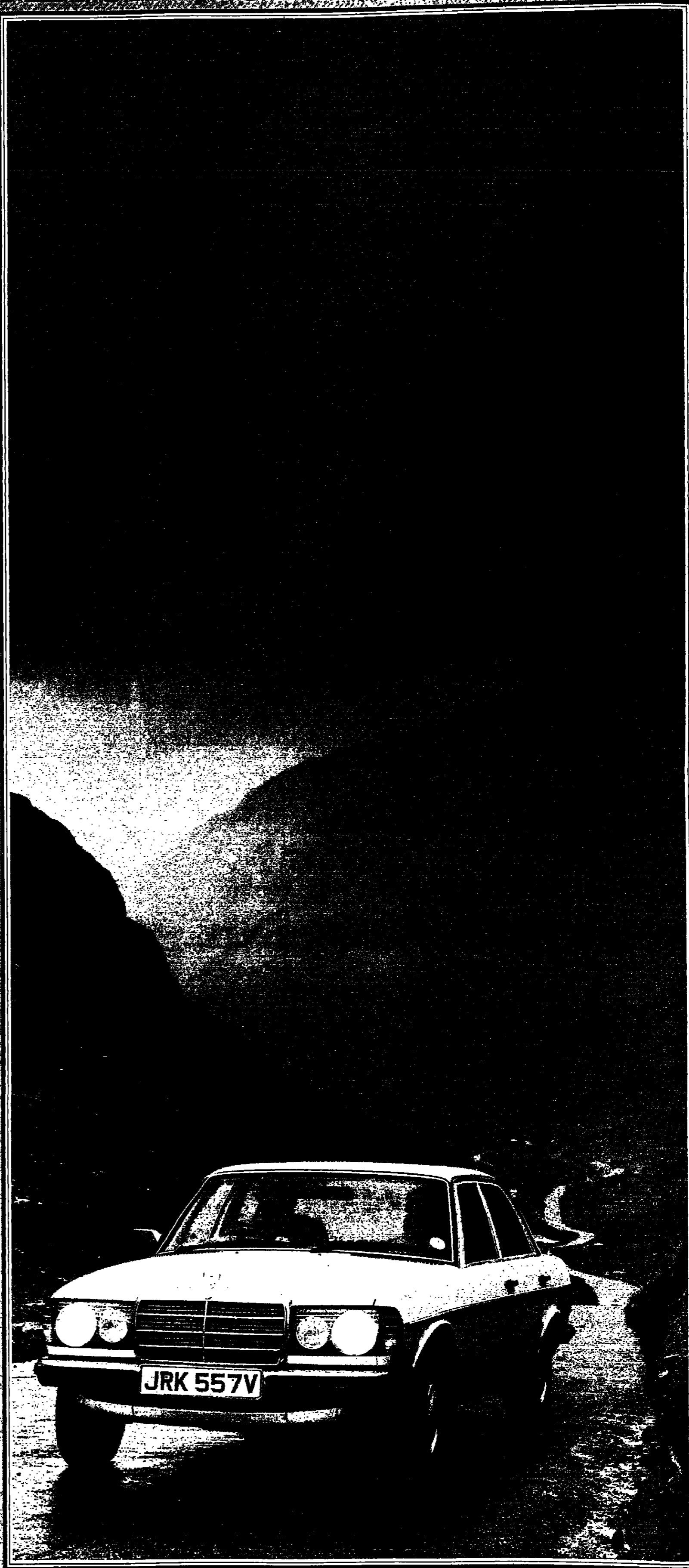
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# THE TIMES

## BUSINESS NEWS

More problems  
for the  
cinemas,  
page 23

### Public sector pay rises must be below inflation rate, Chancellor says

By Caroline Atkinson

As part of the growing campaign to limit public sector pay rises, Sir Geoffrey Howe, Chancellor, yesterday stressed that pay settlements in the public sector must be below the rate of inflation.

His remarks at the annual dinner of the Confederation of British Industry came after a plea from the president of the CBI that the Government should take a lead and restrain public sector pay increases.

Sir Geoffrey said that the Government was concerned about the level of wage rises in public and private sectors, and that from now on wage increases must be below the annual rise in the retail price index.

There has been mounting criticism of the huge pay rises enjoyed by the Government's own employees this year. This week the Prime Minister and a group of ministers met to begin a review of public sector pay which is aimed at curbing public workers' wage rises in the coming pay round. As a rough rule of thumb ministers

appear to think that the new pay awards must be below whatever is the prevailing rate of inflation.

Sir Geoffrey blamed the large catch-up settlements awarded as part of the Clegg comparability exercise on the fact that they had determined the level of public service which Britain could now afford.

The Chancellor was keen to refute suggestions that the Government was so obsessed with its money policy that it did not believe in the importance of pay rises. Clearly ministers have woken up with a start to the importance of public sector wage rises in affecting inflationary pressures in the economy.

Sir Geoffrey also defended the present high exchange rate and high interest rates, while acknowledging that his audience felt strongly that these were making life difficult for industry. He said that he had no doubt that interest rates would come down later this year, but that it was necessary to be cautious now about bringing them down.

Both the Chancellor and the Prime Minister have recently indicated that the present record level of interest rates is likely to remain for some weeks yet. However, Sir Geoffrey said that this would make it all the more possible to have sustainable lower rates of interest later on. But he urged that his caution should not be interpreted as pessimism.

Seetling's exchange rate was not greatly under his control, the Chancellor said, insofar as it was he could only try to push it down at the risk of endangering the Government's money supply targets. A lower value of the pound would also exacerbate inflation by increasing import prices, Sir Geoffrey added.

The Chancellor also paid tribute to Sir John Givon, the former director-general of the CBI who died suddenly at the end of last month.

### Ladbroke drops casino operations

By Peter Wainwright

Ladbroke, the property, hotels and holiday group, finally withdrew from the casino business yesterday.

Its last in London, the Park Tower casino in Knightsbridge, was shut down at 4 a.m. It had been opened just three years ago with John Conte and Omar Sharif helping Mr Alex Alexander, managing director, to launch the gaming.

The group's three Mayfair casinos—the Hertford Club, the Park Lane casino and the Ladbroke Club—were shut five months ago after a court ruled that Ladbroke were not "fit and proper persons" to hold gaming licences.

In court it was said that wealthy gamblers had been seduced from rival clubs by two Ladbroke London casinos, the Hyde Park Casino, Prominent among Ladbroke's critics was Mr Victor Lowmes of the Playboy Club.

Later, Lord Widgery, the Lord Chief Justice, endorsed the ruling of Knightsbridge Crown Court.

A statement from City and Provincial Gaming Holdings (CPGH), an independently run subsidiary set up with the advice of merchant bankers Morgan Grenfell in the hope of saving the casino licences, said that Ladbroke had decided to discontinue its interests in the casino industry.

In a statement, the Gaming Board said it had decided that "following the surrender of the Park Tower licence and the withdrawal of the notice of appeal in respect of the other three London casinos, it will now apply to the licensing authorities for an adjournment of the hearing of the board's objections to renewal of the licences held by CPGH for the 11 provincial casinos."

The Gaming Board will then consider applications for certificates of consent which, if granted, would enable other persons to apply to the courts for the transfer of these 11 licences.

Last night, Mr Cyril Stein, chairman of Ladbroke, commented: "The Gaming Board decision leaves the group free to build up its existing interests in leisure and bi-fi and develop new ones. If institutional shareholders are dissatisfied with my stewardship, it is the first I've heard of it."

for the transfer of these 11 licences."

The Gaming Board announcement also clears the way for Ladbroke to press ahead with the sale of provincial casinos on lucrative terms. At the end of March, Ladbroke concluded a £4.4m deal to sell five provincial casinos in Leeds, Birmingham, Bristol, Middlesbrough and Stockton to the Reo Stakis Organisation, the Glasgow-based hotel and gaming group which already has 12 provincial gambling houses.

This deal can in all likelihood now go ahead. It will probably make Mr Reo Stakis head of Britain's biggest provincial casino business. There was however no mention of

other operators being allowed to run the London gaming clubs.

The five provincial casinos made profits last year of £1.1m, but the London clubs are thought to have made £18m or so last year.

In addition to the deal with Reo Stakis, City and Provincial Gaming Holdings is negotiating with several parties for the sale of the other provincial casinos. It plans "early agreements".

Last year Ladbroke had recorded pre-tax profits of £49.2m. Half came from casinos and lotteries. It is estimated that this year Ladbroke's non-gaming operations are capable of returning around £30m, and suggests that, on an annual basis, Ladbroke is still a £33m profit a year business.

The shares yesterday rose 8p to 165p. At the end of March they were only 122p, though once last year they stood at 243p.

### CBI plea to publicize 'realities'

By Patricia Tisdall

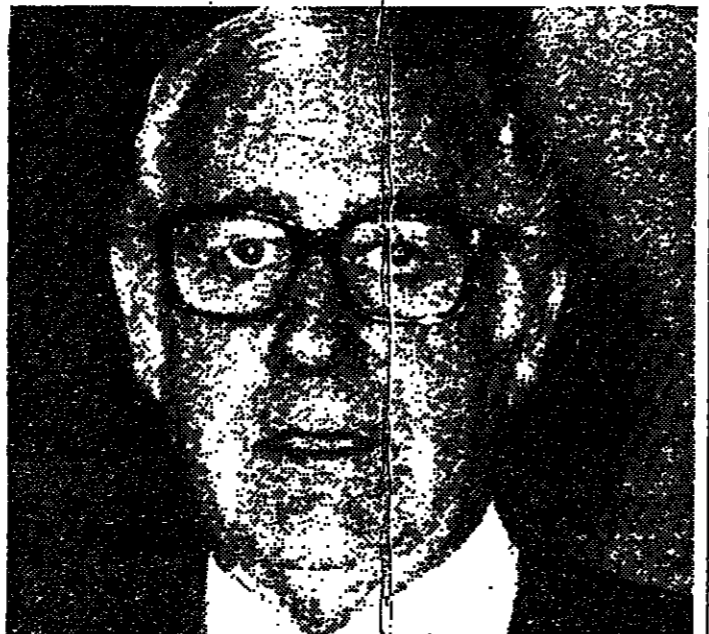
A public appeal to the Government to do more to get the message of economic realities across to the workforce was made by Sir John Greenborough, president of the Confederation of British Industry last night.

Sir John was speaking to 1,400 leading businessmen at the CBI's annual dinner. He asked Sir Geoffrey Howe, Chancellor of the Exchequer, and the guest speaker, to confirm that the Government recognized the problems created by public sector pay increases. These problems had an "inevitable implication" for the private sector and the CBI urged the Government to explain the consequences of high wage settlements to rank and file workers.

"The policy of live now, pay later is a policy of personal and national suicide," Sir John said. "It can only lead to higher and higher unemployment, rising prices, more and more firms going to the wall, and a lower standard of living for all."

Private employers are worried that they will not be able to hold pay settlements if public wage agreements again escalate in the next pay round. According to Sir John, the Government is not doing nearly enough to explain the results of large pay awards to union members.

Sir John said no single going



Sir John Greenborough: More needs to be done to convey the message on wages to the shop floor.

rate had emerged from the wide range of pay settlements in the private sector in the current pay round. "It is clear that the message has got across in some companies that their ability to pay and maintain their markets and maintain people in employment has required realistic settlements."

"But more needs to be done to communicate the basic message on pay to the men and women on the shop floor. We cannot go on paying ourselves more than we, as a nation, earn. Winning the battle against inflation is still the number one priority."

Sir John, who is expected to be elected to serve for an extra year as deputy president at today's annual meeting of the CBI, also made a scathing attack on trade union leaders' attitudes to pay.

Trade unions made no attempt to restrain wages when the last government had brought inflation down, he said. "They appear to be adept at pulling out the plug but they have yet to understand that this causes the jobs and living standards to drain away with the bath water—leaving an inflationary tide-mark."

### Timetable for enterprise zones is agreed

By Our Industrial Editor

The Government plans to announce the sites selected for development as enterprise zones in July, and by November the boundaries of the selected sites will be agreed.

This timetable was announced yesterday by Mr Tom King, Minister for Local Government and Environmental Services, who said that Whitehall had asked for detailed proposals from local authorities to be submitted by the end of this month.

Local authorities will release full compensation for rate income lost, and its total cost will be between £5m and £10m. The concept of enterprise zones formed a major feature of Sir Geoffrey Howe's Budget speech in March. The Government sees such zones providing a real impetus to its desire to stimulate the growth of small and medium sized companies and encourage the entrepreneurial flair which it believes is waiting to be reaped.

Mr King, in a statement after the legislative provisions for

the creation of the zones were approved by a Parliamentary Standing Committee, said that local authorities which had been approached had expressed keen interest. There had also been inquiries from other local authorities not been included in the original list.

Under the provisions announced by the Chancellor of the Exchequer, local authorities whose proposals for the creation of enterprise zones are accepted will be offered a range of incentives. These will include exemption from development land tax, customs relaxations, abolition of remaining industrial development certificate requirements, simplified planning procedures, and exemption from rates on industrial and commercial buildings.

By November, Mr King explained, the Government would agree with each selected authority the boundaries of the zones and details of the scheme, together with the policy which the local authority would adopt in dealing with planning applications.

### Shares in St Piran suspended

Shares in St Piran, the controversial mining and property company, were suspended by the Stock Exchange yesterday pending an announcement by the Takeover Panel on whether an obligation to bid for the company has been met.

The obligation to bid was incurred at the beginning of April when the Takeover Panel ruled that a number of companies involved were controlled by Mr James Raper, a Far East financier. The most important of these is a Hong Kong company, Gasco Investments, which controlled 34 per cent of St Piran.

However, last night a St Piran spokesman said the company understood Gasco intended to bid but it was having difficulty raising the cash. The Takeover Panel ruled that the bid should be made at 85p a share, making the 8.3 million shares not owned by the alleged concert party worth about £7m. The suspension price was 63p.

### Record profit by National Freight Corporation

By Peter Hill

The Government's prime target for return to private ownership, the National Freight Corporation, recorded a trading profit of £20.2m last year.

It is expected that shares in the NFC will be offered to private investors some time next year and Mr Bobbie Lawrence, the chairman, said yesterday: "The prospect of becoming a limited company is faced with confidence."

Although affected by industrial action last year, the NFC managed to increase its net profit to £2m, £1.7m higher than in the previous year.

The corporation paid a total of £8.1m to the government in the form of interest on the government's investment in NFC.

A bigger profit would have been achieved but for the effects of the national road haulage strike, and although the NFC was not officially involved it suffered as a result of secondary picketing and unofficial sympathetic action.

The biggest contributor to the profit performance was British Road Services, which produced a profit of £10.3m, reflecting a period of diversification into a growing range of transport services.

Improved profits were also achieved by National Carriers, which increased from £2.8m to £4.3m.

The NFC's Roadline operations suffered a severe setback early in the year because of unofficial industrial action and the level of parcels traffic failed to recover.

### Talbot cuts 1,300 jobs

By Ronald Faux

Talbot announced another 1,300 redundancies among office and shopfloor workers at its Linwood car plant.

The latest lay-offs, to take effect in June, are the total redundancies declared at Linwood in the past five months to 2,800 and cut the plant's labour force to 5,200. The com-

pany said the redundancies were to make manufacturing operations as efficient and productive as possible in the now highly competitive British car market.

The scale of the cuts shocked union leaders at the plant. Mr Don Sharp, of the Transport and General Workers Union, said he was bitterly disappointed.

### King & Shaxson

Statement of the Chairman, Mr T. S. Hoxley, M.C. to be presented at the Annual General Meeting of the Company on the 12th June 1980.

In my statement of last year I told you of my intention to hand over the day to day running of the business to Mr. William D'Abbas who is now Chief Executive. I am pleased that the Company is able to show a good profit and an increased dividend in difficult trading conditions. During the year M.L.R. rose by five points to 17% which inevitably caused temporary book losses.

Your Directors recommend that a final dividend of 4 pence per share, making a total for the year of 5 pence per share on the Ordinary shares of 20p each should be paid out of a net profit of £574,610. Your Directors feel that the exceptionally large increase is appropriate after the ending of dividend restraint, but they emphasize that future increases will be related to the results of trading during the year.

It may be of interest to you that at the time that I joined your Board in November 1966, when your Company became public, the published assets amounted to £887,000. They have now increased to £7,276,000 without any additional outside capital and after paying the maximum rates of income and corporation taxes. I feel that this growth is satisfactory in relation to the market conditions during the period when Bank Rate was 2% at the beginning and M.L.R. is 17% at the present time.

During the year we sustained the sad loss of Sir Giles Guthrie, one of our Jersey Fund Managers' Board, who died after a long illness. He did much to build up and establish the Funds that we manage in Jersey. I am glad to say that we retain the family connection through his son, Mr. Alastair Guthrie, who is a member of the Board of King & Shaxson Ltd.

Although King and Shaxson (Ireland) Ltd. has traded profitably during the year there has been a balancing reduction in the assets of this subsidiary due to the fall in the parity of the Irish Punt which has had a small effect on the assets of the subsidiaries in the consolidated Balance Sheet.

I look forward to the forthcoming year with confidence that the Management will seize any opportunity for making a profit if and when rates begin to fall.

David Hewson

### PRICE CHANGES

Corn 5p to 540p	Manch Livers 5p to 220p
Wheat 10p to 735p	Pork 13p to 195p
'A' 1p to 555p	Southern PB 14p to 497p
8p to 165p	Ultramar 6p to 334p
40p to 640p	Weeks Petrol 5p to 415p

6p to 435p	Home Chem 5p to 110p
6p to 36p	MK Electric 5p to 173p
13p to 712p	Rio Tinto 5p to 353p
11p to 750p	United Biscuits 5p to 204p
40p to 620p	UC INVEST 6p to 433p

### THE POUND

Bank buys 4.45	Bank sells 4.45
6d 2.08	4.45
30.60	28.85
68.75	66.25
2.72	2.65
13.23	12.65
8.50	8.40
9.85	9.45
4.28	4.06
99.50	94.50
11.48	11.90
1.16	1.10
1985.00	1987.00
545.00	520.00

### Newspaper plans satellite link for simultaneous print on both sides of globe

#### Tribune pulls the wraps off new technology

The world's first English language newspaper to be simultaneously available to readers on opposite sides of the world has an editorial staff of only slightly larger than that of a medium-sized English provincial paper and aims to achieve its goal for a cost of £2m.

The International Herald Tribune, which was once a village newspaper for the American community in nineteenth-century Paris, is modest in style, circulation and manpower. It sells 127,000 copies daily, each consisting of 14 to 16 pages of news, mostly from agencies, edited by a production team of some 33 journalists. The paper has just seven of its own reporters.

But what sets the "Trib" apart from its competitors is that at an early stage the paper set out to benefit from every gadget of modern printing technology it was able to lay its hands upon.

It is for this reason that next September the paper, which three years ago faced financial difficulties, will be on a break-even basis in the Far East when the same issue is still being printed and distributed in the early hours of the morning in Europe.

The technology which makes the latest leap of the Tribune is possible is facsimile page transmission. A satellite link will transmit pages from the paper's Paris plant to a printing centre in Hong Kong. The paper now sells about 2,000 copies daily in Asia for between £150 and £2, and hopes to achieve a circulation of 20,000 selling at 50 or 75 cents per copy.

The Tribune first used facsimile page transmission in 1974 when it established a link by cable between Paris and a printing company in Uxbridge.

The increased sales which resulted from its entry into the British morning newspaper market spurred the paper to open a similar link with a Zurich printing plant in 1977, giving it breakfast sales over a large area of Western Europe.

But the paper's publisher, Mr Lee Huebner, admitted in London yesterday that the publication faced "a very difficult future" in 1977.

The paper's answer was to turn to computerized editing and typesetting technology involving editorial staff in direct input of editorial matter in the publishing process.

After long talks, without the

loss of any issues through industrial action, the unions accepted a package which involved a reduction in the production staff from 180 to 30, with jobs elsewhere being found for many of those displaced.

The paper's cost base, which must now be the lowest of any international English language newspaper, is further improved by the fact that it can take much of its news from agencies run by the New York Times and the Washington Post which, in partnership with the Whitney Communications Corporation, own the Tribune.

Such a financial structure will doubtless be the envy of newspaper proprietors in London, where new technology remains under wraps.



## China to run container ship service to Europe

China will launch its first scheduled direct container service from Hongkong to Europe on May 30, initially operating twice monthly sailings to London, Rotterdam, Hamburg, Antwerp and Bremen. The service will be operated by the China Ocean Shipping Co (Cosco), based in Peking. Previously, Cosco ships with the yellow funnels and red stripes conducted only non-scheduled cargo services to south-east Asian ports and sometimes to Europe.

### £35m EEC grants

The European Commission has approved grants totalling £35m for Great Britain in the second allocation from the 1980 budget of the European Regional Development Fund. Biggest single grant is £6.3m for a new bridge over the River Foyle in Londonderry, Northern Ireland.

### Deadline extended

The United States has postponed until June 20 a decision on what action it will take to counter British quotas on two American textile products, a European Community spokesman said in Brussels. The Commission had requested the delay from the original May 20 deadline.

### Swiss deficit wider

Switzerland's trade deficit in April widened to 1,263m Swiss francs from 1,230m in March and from 302.3m francs a year earlier, the Swiss statistics office announced in Bern.

### Accounting plea

The United States National Foreign Trade Council says in New York it has asked for revision of proposed new European Community accounting rules, which it claims will hurt United States multi-national corporations.

### Chinese seek advice

Technicians and engineers from Peking, Shanghai and Canton will seek help and advice from Hongkong authorities in the expansion of Shum-chu municipality (Soon City), which borders Hongkong, from a population of 300,000 to two millions in 10 years. An area of one million square feet will be developed.

Japanese investment will raise colour set production in Wales by 10 pc

## Sony to spend £10m on television tube factory

Sony Corporation is to increase British production of colour television tubes by more than 10 per cent with a £10m tube factory next to its television set assembly plant at Bridgend, South Wales.

It is the second move this year to increase British tube manufacture after it shrunk in 1977 when the Thorn group pulled out of the Midlands, part of Philips, the Dutch electronics group, is Britain's only existing tube maker and has just started a two-year programme to raise production by 25 per cent to 1.5 million tubes a year. Increased automation is being used to tackle production costs.

Sony is one of the five Japanese television makers established in Britain and it will be producing by next year 27-inch tubes for sets that will be aimed mainly at export markets in Europe. Construction of the factory is due to start in September. The tubes will be of Sony's Trinitron design which is not used by other makers.

Mr Akio Morita, chairman and chief executive officer of Sony Corporation, who was in London yesterday, had reservations about how far automation will be taken at the new tube plant and at extensions now under construction at the Bridgend television set manufacturing plant.

But many of the techniques that have put Japanese makers ahead of British manufacturers are expected to be incorporated. One indication of the automation programme's extent is that although Sony's present Bridgend factory employs about 750 people the extension and the tube factory will add about 200 jobs for a doubling of production.

Production capacity is expected to be about 150,000 colour sets a year which this could rise towards 200,000 within a Sony's decision to expand at Bridgend.



Mr Akio Morita: guarded about automation.

which will bring its British investment up to £20m, was partly based on the idea of bringing more of the total manufacture to one site. But Mr Morita said the company was also influenced by the excellent record of the Welsh factory with its good industrial relations.

It could bring Sony's proportion of British origin of components to 90 per cent or more although some decision, such as on the suppliers of the blank glass tubes, remain to be made. Some of the more complex components are still likely to come from Japan.

Sony UK, the British subsidiary at Bridgend is financing the new investment with the help of government development

area aid. Sony UK already exports more than 50 per cent of its colour television production.

This year it became the first Japanese electronics company to get a Queen's Award for exports. When the tube-making factory comes on stream the export ratio is expected to rise substantially.

Sony's move to set up its first tube making factory in Europe, comes as the phase alternative Hma (PAL) patent agreements are running out. They precluded Japanese makers from importing into Europe their larger colour television sets.

This will increase competition in the British and continental markets but Sony's tube venture, cutting freight and packaging costs on imported components, does not necessarily point to other Japanese manufacturers established in Britain taking the same route. The Sony system, which uses one instead of three electron beam guns, prevents Sony buying in tubes in general use, and forces the setting up of specialized tube production.

But Matsushita Electric last month announced a doubling of colour television set output in Britain at its Cardiff subsidiary, a £2m expansion aimed at raising production to 120,000 sets a year.

Lord Trenchard, Minister of State at the Department of Industry, welcomed the Sony investment yesterday. He said it showed what an attractive investment prospect Britain was for overseas companies.

Later he opened a new London headquarters of Dow Chemical in Hounslow and praised Dow's "important investments" in Britain.

Derek Harris

## British exporters confident of keeping open Iran trade route

By David Hewson

British businesses with Iran are not likely to be seriously affected by the government's trade sanctions.

Companies involved in Iranian trade were worried by the backdating of the measures to November 4 which has now been removed after pressure from British MPs. But as far as the bulk of future business is concerned, there is a growing confidence among traders that the route to Iran will remain legally open.

Apart from the fact that such key areas as banking, insurance, medicine, and long term contracts as the Talbot car assembly deal are specifically excluded from the sanctions, no mention is made of re-export. This leaves the way open to British companies to ship goods into the Middle East and wash their hands of them when it comes to the question of destination.

The main route for such shipments is certain to be through Dubai, the principal port of the United Arab Emirates. The port has a substantial Iranian population and is already heavily involved in both legal and illegal trade with Iran from Port Said and the more modern complex of Port Rashid.

Far from fearing the introduction of sanctions, Dubai traders have made it clear to British exporters in recent weeks that they would welcome sanctions because they will bring trade to them.

Dubai shippers have active links with Iranian ports and have been busy circumventing American sanctions for some time by running goods on the 160-mile trip from Dubai through the Straits of Hormuz to the Iranian coast.

The importance of Dubai as a trade mart is emphasized by the fact that it is Britain's second biggest market in the Middle East after Saudi Arabia, and bought imports worth £305m from Britain last year.

The British Government has acknowledged that the sanctions would be more a way of showing support for the Americans than an economic weapon against Iran.

The measures are considerably weaker than the last sanctions applied by the Government, against Rhodesia. The bulk of these measures, which were supported by a military blockade and helped by the fact that Rhodesia was landlocked and supplied by one main railway link, has since become apparent.

The Government was forced to concede at an early stage that, given the effects of the Rhodesian sanctions, the possibility of similar measures against Iran, which has a considerable coastline and only one directly unfriendly neighbour, Iraq, having any real economic threat was minimal.

Business houses involved in trade with Iran were maintaining a discreet silence last night over how they would react to sanctions, and it seems clear that those who decide to circumvent the measures by shipping through Dubai, and possibly Oman and Kuwait, will not publicize their dealings.

Though British trade with Iran fell back steadily last year, there was something of a revival in the first three months of 1980 which encouraged a number of firms which were cautious about the country to negotiate contracts.

British exports to Iran totalled £54m in April, up almost £34m on the previous month. The trade slump which followed the overthrow of the Shah was reflected in last year's trade figures which showed that British exports had totalled £20.8m, compared with £751.2m in 1978.

## Norway plan threatens UK chemical producers

From John Huxley

Oslo, May 20

Norway is planning a further expansion of its petrochemicals industry based on feedstocks from the North Sea. The move will pose a threat to the domestic and overseas markets of British and other Western European producers.

Saga Petrokemi is hoping to bring on stream by 1986 another ethylene cracker based on natural gas liquids and downstream plants for the production of plastics materials. A final investment of about £330m is envisaged.

Final approval must be given by the Norwegian authorities, which are concerned that the plant should be sited if possible in an area of high unemployment. However, the Government has indicated it wishes to see the chemicals sector expanded.

Saga already has a sales operation in the United Kingdom to market plastics produced at a petrochemical complex opened recently at Bamble on the west coast of Norway. The company claims to supply between 2 and 3 per cent of the United Kingdom plastics requirement but hopes to increase its share to 5 per cent.

Its decision to press ahead with a second stage of development comes at a time when plastics prices are generally depressed, there is little or no profit, and European producers are applying with producers of overcapacity in polyethylene and ethylene itself.

Saga's plans for a 300,000 tonnes a year cracker are being formulated as chemical companies in Britain begin to question seriously whether demand is sufficient to support two plants under consideration for Scotland. These are an Esso cracker at Mossburn and the proposed Dow plant on the Cromarty Firth. Chemical companies are particularly keen to see tentative plans for the Dow plant scrapped.

However, saga argues that it will have a significant advantage through its access to feedstocks. Mr Eric Tandberg, its president, says that natural gas liquids from the North Sea will continue to be available for plastics production whatever happens to the supply and price of petrol.

British companies, including ICI and BP, who share a joint venture cracker at Wilton in Teesside, are also anxious to secure supplies of gas liquids from the British sector of the North Sea. This would reduce their dependence on the traditional feedstock, naphtha.

Saga participates in the Bamble complex through partnership companies, which also include Statoil and Norsk Hydro in which the Norwegian government has either a full or part share.

## LETTERS TO THE EDITOR

### EEC energy tax plan

From Lord Bessborough

Sir, In view of the continuing lack of progress in Naples towards a settlement of the EEC Budget dispute may I put forward the following thoughts?

During the debate in the Lords on May 1 on Lord Sherfield's motion to take note of the report on EEC energy objectives, I ventured to draw attention to the communications of the Commission to the council dated March 20 on energy policy and possible fiscal instruments for raising Community revenues from energy. One of the main recommendations of the Lords committee was that much greater resources should be allocated to the energy sector.

I will not recapitulate here the various possible alternative methods of raising such funds but only add that on reflection I believe that the fairest solution would be to apply a very low percentage tax to all energy imports into the Community and not merely to oil.

It has been pointed out to me by an authoritative source that oil supplies will probably not increase to match increasing demand and that there will be a large growth of coal imports. The major oil companies are moving into this business and there are plans in a number of European countries to build coal terminals to receive and distribute supplies from Australia, South Africa, the United States and others.

The effect of an import tax would be to stimulate coal production within Europe. In the same way a tax on imports of enriched uranium would enhance the position of both the French Eurodif and the Tripartite Urenco enrichment plants. A tax on gas imports would encourage production from the Netherlands and the North Sea. In this way any element of discrimination would be removed.

Most of the EEC countries have some indigenous energy source—coal, oil, natural gas or uranium enriched or otherwise. All could, where practicable, develop wind, wave and solar energy. All could generate electricity and heat using EEC enriched uranium or EEC produced plutonium. All countries—not only Britain—would draw some benefit; and since the United Kingdom is closer to energy self-sufficiency than the others such a tax would go some way to balancing the United Kingdom budgetary contribution to the EEC.

By analogy with the common agricultural policy such an energy tax might even reverse the threatened energy shortage and produce an energy surplus.

As a member of the budgets and energy committees of the new of the Lords Select Committee on the European Communities I must admit that such a tax, which would only need to be at a very low rate, has strong attractions. Coupled with some adjustment of the financial mechanism and the suggestions of Mr Madros Seligman, MEP that the British should buy more from within the Community—including Britain—rather than from outside thus reducing our import levy payments to the EEC, the United Kingdom's EEC budgetary position could be transformed and our overall deficit greatly reduced to the point where we might almost become net beneficiaries rather than large net contributors.

I should like to see an expert study produced taking into account these possibilities as well as what we presently receive in Community grants and loans through the regional development fund. I would welcome comments on this subject from your own specialists and readers.

BESSBOROUGH, House of Lords, London, SW1.

DAVID M. R. KEATE, 52 Huntingdon Road, Cambridge CB3 0HH.

### Junk mail under attack

From Tim Matthews

Sir, Mr David Gordon (May 19) has given us a useful tip on how to deal with unsolicited letters. A few years ago, when working as associate producer on a nightly coast-to-coast television programme from New York, I discovered and was delighted to give publicity to an organization which called itself The American Society for the Cross-Fertilization of Junk Mail.

Among ASCFJM's recommendations to its members were: (a) that any prepaid envelope from a firm soliciting business should be filled with material from another company's mailing list and posted; (b) that extra holes should be punched in any do-not-send-or-mutilate computer-cards and returned to the correct address; (c) that any computer-rendered invoices should be overpaid by 1 cent, thus causing immense perplexity.

TIM MATTHEWS, Remma Documentaries Limited, 7 Chislehurst Road, Richmond, Surrey, TW10 6PW.

### Side effects from bank carte

From Mr A. J. Hutton

Sir, The operation of a bank cartel in this country, with side effects which are always immediately apparent, is a report of 7 in The Times it too unions just five hours of

ation to secure a way cent from the clearing Mr Lief Mills for the un-

knowledge that this latest meant was reached only months after the last but "the banks were veritable".

Unfortunately for the financial sector who liked to earn their profit latest settlement will a serious knock on off salary structures as a wit-

The phenomenon of profits is now recognized matter of public concern. They are gathered, with parent blessing of office has an ever increasing deleterious effect on com At a recent conference in Carlo a senior German is reported as saying: "I know of few other countries where the spread between salaries and profits is money was greater than United Kingdom."

It appears that the great privilege in exchange of control. The Act will further turn the on any incipient company. Meanwhile the public are urged to continue to banking profits at the cost.

Yours faithfully, A. J. HUTTON, Middle Temple Library, London EC4A, May 18.

### 14 years of co-prospecting

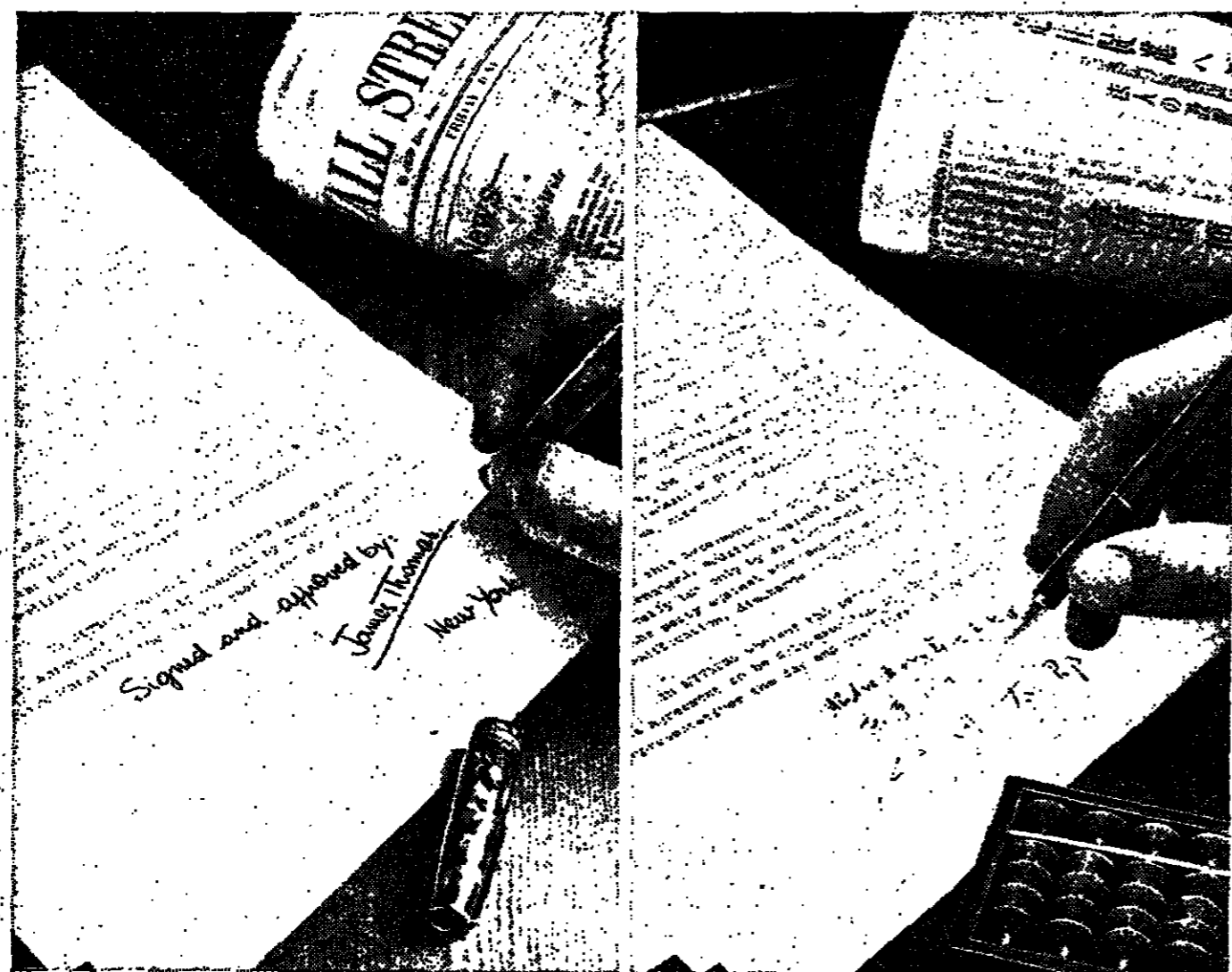
From Mr Donald Davies

Sir, Mr F. S. Cole (Letter 13) can be assured that drilling operations in the coal field are far from over. On the contrary, a substantial deposit of coal has been revealed by the work undertaken.

Admittedly, the drilling programme has been a long and, against my earlier cost will be paid to for some time yet. Never have we a duty to set clear picture of all reserves which may be able for the benefit of the country.

As a particularly in these worldwide energy shortages. For this prospecting similar to the Peuced area is taking in very many parts of

Incidentally, the cost of exploratory work around Peuced represents a small fraction of the coal so far revealed. Yours sincerely, DONALD DAVIES, Member, National Coal Board, Hobart House, Grosvenor Place, London SW1X 7AE.



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### RECORD RESULTS

The preliminary figures for the year ended 31st December 1979 show:

- \* Pre-tax profits increased to £12.9 million
- \* Attributable profits increased to £8.5million
- \* Earnings per share increased to 14.9p
- \* Dividends increased to 3.75p per share (5.36p gross)
- \* Net Tangible Assets (after SSAP 15 adjustment) attributable to shareholders increased to 67.3p per ordinary share

The improved results were earned both at home and overseas. The group has a strong trading base with a substantial work load in the United Kingdom and abroad.

The Annual General Meeting will be held at Essex Hall, Essex Street, London WC2R 3JD on Wednesday 25th June 1980—copies of the annual report available from the Secretary.

### Our business development 1979

31.12.1979		31.12.1978
DM 3.524 Mio	Balance sheet total	DM 3.307 Mio
DM 1.137 Mio	Loans	DM 1.178 Mio
DM 2.087 Mio	Due from banks	DM 1.728 Mio
DM 214 Mio	Bonds	DM 353 Mio
DM 3.264 Mio	Deposits	DM 3.098 Mio
DM 127 Mio	Capital Funds	DM 108 Mio
10%	Dividend payment	10%

## Norddeutsche Landesbank

INTERNATIONAL Société Anonyme

Luxembourg

ADDRESS: 28, av. Montigny, L-1211

TELEPHONE: 47 23 81-1 (General Service), 47 08 01-07 (Arbitrage), 47 24 41-42 (Bonds), 47 23 91 57 Telex, KALLE 5000

TELEX: 2 566 nord lb (General Serv), 2 283 nord lb (Arbitrage), 2 888 nord lb (cred. Dep.), Com. Register, L. 810405

BY THE FINANCIAL EDITOR

# A time for prudence

ries of the secondary banking crisis 3/74 are not so distant that the lessons were learned then can now be d. So it is clear that the Banking Act Bank of England papers on liquidity, adequacy and foreign exchange are, in part reflect an awareness that a must be the watchdog over the next ears or so if difficulties are to be d in the banking system.

e is no such liquidity crisis on the a but it is a wise moment to take and tighten where necessary pruden- requirements.

unately, the discussion can be held in ively calm climate even though the prospect gives cause for concern. lending has been soaring ahead of a recession for example, and there are about the Euromarkets, typified by strictures from the Bank of Inter- al Settlements.

so, it was inevitable that whatever ank of England proposed to regulate ide the banking system more firmly e resisted. The banks have, by and reacted like wild horses for the first ralled in a typical Western. On the England's side the strategy has been e and discussion and clearly the or is anxious to maintain the Bank's e approach towards the banking

ission is no bad thing given the times and even if nothing concrete emerges end, the debate will in itself be an e to troubles. The present exercise, s valuable constructive—and it may t to have been essential

ever, to force a company through the expense and aggravation of producing separate accounts for the purpose, if the information is available elsewhere anyway.

Surely the answer to this problem is to require separate accounts only if the information required cannot be obtained from the main accounts?

"Shell"

## The contribution from gas

"Shell's" gas and crude oil operations are now beginning to make their mark on profits, helping to offset weaker volume trends because of the mild winter and continued pressure on downstream margins in the opening quarter of this year.

Knocking out the by now ritual adjustments for stock profits—which rose from £135m last year to £320m in the first quarter because of the sharp rise in crude prices—and for currency translations—where the strength of sterling turned last time's £67m gain to losses of £70m—"Shell's" stated 16 per cent net income rise to £718m falls to a more modest 12 per cent improvement to £468m, still well above the £400m quarterly average last year.

Taking into account last year's first quarter losses of £32m arising from Shell's share of the General Atomic nuclear losses the underlying improvement is more like 22 per cent, however.

The main message that is now starting to come through in group results is that "Shell" is transforming itself from a traditionally crude short oil concern into one with much better access to crude supplies. First-quarter figures have been helped by the higher value of equity crude although with gas flaring cutting the North Sea contribution from 149,000 to 124,000 barrels a day the full effect here has yet to be felt.

The contribution from gas is also having a material effect with higher prices offsetting a volume drop of around a tenth outside North America, and that is before gas prices have really started to catch up with oil price rises.

Elsewhere the reshaped tanker fleet has helped stem the profits drain from marine operations while the cut of the barrel involving a switch to higher margin products is also coming through more strongly, helping the refining and marketing operations.

Chemicals are still proving a difficult area with the market place preventing product prices rising fast enough to recover feedstock increases.

With FIFO stock adjustments likely to fall from £1,120m last year to £350m-£440m in 1980, most forecasts are now centring on a fall in stated net income from £3,051m to around £2,300m though on a LIFO basis underlying profits will be up from £1,617m to around £1,900m.

ite/Clifford

-voting

2S

's offer for Clifford's Dairies, which e been withdrawn, looked doomed he start. But Unigate's tactics have e highlighted the vexed issue of ing shares.

a fact that the holders of the y of shares in Clifford's have not had what has been going on.

Clifford and Smith families were scupper Unigate's original proposed voting in favour of the £1.5m rights e had only about 36 per cent of ed capital but controlled over 70 per the voting shares. Altogether 79 per voting shares were cast in favour ights issue. The Clifford and Smith e only taking up two of every e-voting rights shares. But after the sue they will still control over 70 per the votes.

Unigate increased its offer, andly boosting the premium placed voting shares, the Clifford and Smith still said no. Unfortunately, the ounding Rule 21 of the Takeover overing prices paid for different of shares will not now be tested.

oint was whether the premium on ers—raised to 90 per cent—was l. Traditionally the Clifford's voting e traded at a premium of about cent. When dealings resumed y the ordinary shares were quoted and the non-voting "A" shares at premium of over three-fifths.

h directive

## ish among

### North-nationals

Companies likely to be affected by visions of the EEC seventh directive olidated accounts are now starting t with anguish and indignation as lications sink in. The latest body to cherus of complaint is the influen- National Trade Council, which says e proposals—and in particular the l that a set of separate consolidated s should be prepared for all the bsidiaries of a foreign parent— nffice undue cost and aggravation i-national companies.

Community needs to know what e the multi-nationals control within itories. It is not reasonable, how-

● My first reaction to the rather impressive statistics produced yesterday by the Unit Trust Association, is one of immense irritation. Why on earth haven't these figures been available in this form, before? The unit trust industry, albeit that it is in some way to blame for its association's dilatoriness, should be feeling even more peeved.

Unit trust sales were poor throughout most of the 'seventies and have been abysmal for the first few months of the 'eighties. Would this have been the case had investors known more about the relative performance of the income funds (a large portion of the entire market) vis-à-vis growth rivals such as building societies and even bank accounts?

In the past 10 years, unit trust income has risen by 208 per cent on average compared with 72 per cent for building societies and 148 per cent for bank deposits, and the overall return of £1,000 invested at the beginning of 1970 is £2,686 compared with £1,890 for building societies and £1,543 for banks.

The FT All-Share Index's £1,000 grew to £2,187 and the Ordinary Index to £1,451. Individual equities may have done better but, none the less, the performance of income unit trusts does deserve favourable mention.

Geneva

Article 273 of the Swiss penal code, dealing with economic espionage, is intended to shield industrial or business secrets from prying alien ears and eyes.

Under the article it is a penal offence to reveal, or to obtain and communicate, information held to be in this category to "an official or private organization or to a foreign private enterprise, or to their agents". The stipulated punishment is imprisonment or penal servitude, with or without a fine.

Article 273 is even more comprehensive than those relating to political and military espionage which refer specifically to intelligence service activities.

It is also a far tougher instrument than the equivalent one (Article 162) on industrial and commercial confidentiality within Switzerland itself. The rationale seems to be that a secret still within the country's frontiers at least remains Swiss, irrespective of the complainant, whereas under the provisions of Article 273 the state itself initiates proceedings.

The law relating to domestic confidentiality has also to be activated by the complainant, whereas under the provisions of Article 273 the state itself initiates proceedings.

In concept, this article can apply to virtually any endeavour directed to ferring out whatever information could conceivably be regarded as secret in the widest sense—and even information that elsewhere would hardly be classed in that category. In theory, for example, conclusions reached on the basis of gathering and collating published data in a particular field, if this process depended essentially on the presence in the country of the person responsible, could be included.

In practice, however, the

# How the Swiss protect business secrets

In the mid-1970s Mr Stanley Adams, a Maltese-born Briton was prosecuted by the Swiss for providing the European Commission with documents relating to his employer, the Basle-based drugs company Hoffmann-La Roche. Tomorrow in the European Parliament a French MEP will ask the Commission to demand that the Swiss should grant Adams an amnesty. Alan McGregor has been examining Switzerland's rigorous economic espionage laws

authorities are disposed to differentiate between real economic espionage on behalf of a state or private concern and bona fide newsgathering—if perhaps sometimes in two minds about aspects of investigative reporting.

Some years ago after *The Sunday Times* reported on the dubious role of a Zurich concern in assisting third country evasion of sanctions on Rhodesia, a Swiss-German newspaper observed pointedly that as the activities reported by the newspaper did not violate Swiss law, and also concerned business of a strictly confidential nature, reporters working on the story could not themselves within the scope of Article 273. The federal authorities chose to ignore the hint.

Of 111 cases of espionage by eastern countries which were investigated by Swiss police between 1948 and 1976 a total of 26 related to economic matters, 23 were directed against other countries—Switzerland serving as a convenient meeting point—43 were political and 19 military.

Over the same period western spies were involved in 51 cases—three concerning other

countries, four military, 11 political, 12 relating to industrial secrets and 21 being directed to securing information from banks.

The latest example of the last-named category, involving two official French fiscal investigations seeking the names of holders of undeclared—so the French authorities—accounts. It once more highlights the famous Article 47 of the 1934 Banking secrecy law under which anybody responsible for deliberate disclosure can get up to six months in prison or be fined 50,000 Swiss francs.

If negligence is to blame, the fine can still be 30,000 Swiss francs. The law applies equally to retired bank employees.

As the banks invariably point out, the law was not conceived as blanket cover for funds from anywhere but in reaction to the introduction by the Nazis of severe penalties—anything up to the death sentence—for persons concealing their possession of assets outside the Third Reich. It was essentially to protect Jewish victims of persecution.

The two frenchmen, whose trial before a Zurich court is to open on June 17, are ap-

country of origin in 1978, had been in Switzerland for 15 years, having obtained Swiss nationality through documents portraying the man as the natural son of a Swiss citizen killed in an accident while living in Bucharest in 1951.

While the companies concerned underlined that their former employees had not had access to sensitive information, the Ministry of Justice and Police has recently warned resident foreigners to be wary of requests by contacts at their embassies or consulates for help in obtaining information "often of the most innocent nature, such as people belonging to a particular association or employed in some branch of industry".

Agreements to such requests, it said, constituted espionage under Swiss law—namely, acquiring and passing on information irrespective of value, nor generally known, but "not necessarily secret"—an example of the long arm of Article 273.

The most sensational case of industrial espionage—with heavy military overtones—in recent Swiss history was in 1971 when Mr Alfred Fraenknecht, an aircraft engineer at the Sulzer works in Winterthur, was accused of supplying Israeli agents with some 155,000 classified documents and blueprints dealing with the manufacturing processes of the Atar 90 jet engine for the Mirage Three fighter, in service with both the Israeli and the Swiss air forces.

The prosecution said that he had been paid 860,000 Swiss francs for delivering 24 crates of documents and blueprints to a trucking depot near the Swiss-German border over an 18-month period. He was found guilty of espionage activities and betrayal of military and economic secrets and was sentenced to four-and-a-half years.

# NFC-slipping quietly out of the public sector

There is an irony in the fact that one of the first state industries to be denationalized will be an organization which few people even realize is a public corporation. After all, when the Pickfords man arrives to transport people's goods and chattels to their new homes he hardly measures up to the common idea of one of the public sector's faceless millions.

Yet Pickfords' parent organization, the National Freight Corporation is about to be quietly slipped back into private hands—"privatized" in the inelegant language of Whitehall. The Transport Bill, which will start the process, should receive the Royal Assent by the end of next month.

The NFC was the only state organization mentioned by name as a candidate for privatization in the Government's General Election manifesto last year and its senior board members appear to have developed a harmonious relationship with Whitehall and the Mr Norman Fowler, Transport Minister, on the question of implementing the commitment.

Much preparatory work covering the introduction of private capital into the business has already been completed. The NFC hopes to have completed its transformation into a 100 per cent limited company by September, the first stage of the switch from public to private.

The second stage is unlikely to be carried through until next year, when the NFC will be transferred to the state of the stock market. But the intention is that the Government's residual holding in the new company will be a minority stake if at all (the NFC would provide a valuable alternative to the public equity will be allocated for employees).

Flotation of the corporation will involve its being placed on the market as a single entity rather than at present as a number of specialized businesses, ranging from the National Carriers Group to Pickfords Re-

movals and Travel, should be split up.

Over the past five years the NFC has managed to turn round its operations successfully from a loss of £10m in 1975 to a trading profit in the following year of £4m and in each of the past two financial years it has clocked up trading profits of more than £20m.

Mr Bobbie Laarence, the NFC chairman, says that the corporation had shown itself to be a robust undertaking even in the face of last year's grave problems. "We can compete with the best that private enterprise can offer."

In the present financial year despite losses estimated at about £1.5m from the effects of the three-month long steel strike, the NFC is still broadly on target for a trading profit of £25m.

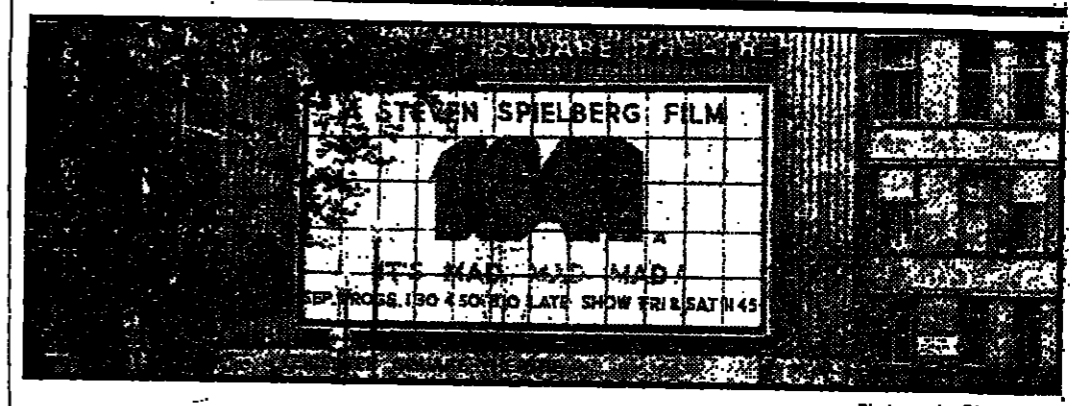
While other state industries struggle to meet the Government's cash limits requirement, the NFC has been busily putting its house in order.

Headquarters operations are being moved out of central London later this year, a reduction of about 2,000 in the overall labour force is planned for this year, maintaining the level of reduction achieved last year, and trunk depots for both parcels and the National Carriers businesses are being heavily pruned.

Fuel price rises are a problem but the haulage industry and its customers appear to have accepted the inevitability of surcharges, which are being progressively consolidated into rates.

Despite the NFC's size (it represents less than a tenth of the total road haulage market) the active rationalization and diversification programme entered into in recent years looks set to maintain it as an attractive proposition at a time when many other hauliers face the future with far less confidence.

Peter Hill



# Coming soon: more problems for the cinemas

Television almost crushed the traditional British film in the sixties only to see the cinema reemerge during the last decade like an old-time star making a triumphant comeback—restyled, slimmer, and much more in tune with the times.

Gross box office takings rose from £119m in 1978 to £127m last year, and the number of screens increased from 1,574 to 1,607.

But as befus an industry which deals in illusion, these figures are not all that they seem. There may be more screens but there are fewer cinemas. While takings may have increased modestly audiences themselves have been falling. Over 112 million people visited Britain's cinemas last year compared with 127 million in 1978, a drop of 12 per cent.

With the rapid revolution in home entertainment through

companies, both in Britain and America, are involved in expensive and ambitious long-term programmes aimed at widening the nature of their entertainment product.

For the entertainment industry worker primarily concerned with the production of a film, such developments can only come as good news, coupled as it is with reductions in the length of time which feature films take to reach television screens.

The film industry is likely to benefit even further from the proliferation of pay television and the fabled introduction of satellite broadcasting services, both of which will provide a profitable outlet for the newly released film which would lose its currency by a general showing on conventional television.

The cinema has always enjoyed an advantage over its small screen rival—choice. These innovations now remove this advantage. It is perfectly feasible that within a decade the television viewer will be able to watch, at a price, a larger selection of feature films in his living room than is available in nearby cinemas.

The big chains are making sure that they are well placed to meet this change in business climate. EMI, the largest British cinema owner, has in joining Thorn, combined film production experience with large technical resources and interests in television.

Rank, as well as producing feature films, has television equipment interests and classic, the fourth largest British chain, is part of the Grade empire ACC which is seeking to become an entertainment conglomerate as large as anything Hollywood. In the form of Warner Brothers, UA et al, has ever produced.

Their interests must naturally lie with following the trend rather than bucking it, and it

### Cinema returns 1974-79

Year	Number of cinema screens	Admissions (millions)	Gross box office takings (£m)
1974	1,598	143	70
1975	1,590	124	76
1976	1,583	107	79
1977	1,582	108	90
1978	1,574	127	119
1979	1,607	112	127

is here that the question of that formerly integral part of the film business, the neighbourhood cinema, comes into question.

Audiences are falling already, though none of the technology which is likely to prove the major enemy is yet in use. Last year's decline may in part be put down to the fact that the film industry produced nothing to rival the large audience pullers of the previous years such as *Star Wars* and *Close Encounters of the Third Kind*.

But it was also due to a continuing narrowing of the film audience which, though it might have proved a source of worry in other businesses, could become the cinema's saving grace as the technological innovations of the 1980s begin to bite.

Audiences are now composed of young people to such an extent that advertising in cinemas has become an extremely effective way of guaranteeing advertising coverage of younger age groups.

Even with some cinema advertisements costing between £150,000 and £170,000 in production alone, the medium still has its fans, and it keeps them by being flexible over the booking of screen time throughout the country.

The real cost of cinema time to advertisers during 1980 will depend on how much farther audiences fall, and there are no signs of forthcoming features which are likely to repeat the crowd-pulling performances of 1978.

Though there may be reservations, the advertising industry is not likely to lose its love of the cinema, for which the halls themselves, now rationalized and split into multi-screens, may prove to be grateful.

Youth apart, film is popular because its scale in putting over a message, whether in a conventional film or through advertising, cannot be matched. In the long run, this may be why the cinema will survive, even if it is in a much altered form.

# Business Diary: BS's boarding party • Dutch discouraged

arker, the 37-year-old member for ship at British Shipbuilders, me acting chief executive nationalized corpora- wite the departure last Michael Casey, chief and former Depart- industry civil servant, who set a target of 45 cheant ship orders last and is now well on the chieving it, is seen as use favourite for the the final decision will Robert Arkison, who r as chairman on July as the BS board part- o weeks.

hile, Sir Keith Joseph, try Secretary, demon- yesterday that despite for returning the ship- a private ownership onists still have a part

Robson, a full-time of the Amalgamated Engineering Workers executive council mem- the union, has been l a part-time board His appointment takes is week and it is in- that it is for two

Jim van de Worp, the director-general of The Netherlands-British Chamber of Commerce, has struck just the right balance of interests in the chamber, newly re-established offices in High Holborn, London. The new furniture is Dutch but has been put there by a British design firm.

Balance is what the 90-year-old chamber is about: it exists to promote trade both ways and it has offices both here and in The Hague, as well as British and Dutch joint chairmen—James Clemenson, chairman of Reckitt & Coleman, and Rem van Eijle, chairman of Gracechurch Insurance.

Van de Worp told me yesterday that the balancing act is about to become even more impressive. Of the £5,500m worth of business between the two countries £500m is in The

of oil, much of which they refine and sell on, and our import of refined oil products from them.

Van de Worp is keen to see more British non-oil firms, particularly smaller enterprises, exporting to the close-at-hand and English-speaking Dutch, but says that persuading the English to try is uphill work—even to a place as flat as Holland.

"British firms are quick to come to the chamber with inquiries about buying Dutch bricks and so on if there is a strike in Britain, but even in East Anglia, the nearest place to The Netherlands, it is hard to get makers of agricultural and horticultural machinery to come on a free trip to meet people in Holland. You could chase the Germans out of the Dutch market with your better prices."

● Peter Walker, the Minister of Agriculture, had a dig on Monday at the former Labour junior minister who achieved fame in 1976 as the man who brought the long drought to an end. Sweltering on the last day of this year's longest sunny period, Mr Walker said in Bournemouth: "I wish to deny rumours that I have applied for a transfer to Denis Howell, despite the fact that he is not with Lazard Frères."

Yesterday the joke was on Walker, when he visited the Kielder Forest in Northumber-

● Senator John Heinz (above), the ketchup-and-spices heir, is still the richest man in the American Senate, according to statutory financial reports filed this week.

The Pennsylvania Republican declared 1979 revenues of between \$400,000 (about £190,000) and \$800,000 based on a fortune estimated at between \$20m and \$30m.

Sixteen of the 100 Senators declared themselves millionaires and as many again might have qualified if they had not cooked the books.

At the other end of the scale South Dakota Republican Larry Pressler, a 38-year-old bachelor, says that he still owed his bank more than \$1,600 for his university fees.

British sheep breeders who despair of selling their meat to France might just find a market for their offal at the village of Trets near Aix-en-Provence. They like heating their winery records and have just completed the longest barrel ever crafted—about two miles of it, containing the best part of 12 pigs.

Ross Davies

## Redfean National Glass Limited

Manufacturers of glass containers

### Interim Statement for 26 weeks ended 30 March 1980

The results are much as forecast in the Annual Statement last year. The longer periods of closure of customers' plants over the Christmas and New Year holiday periods coupled with our planned furnace rebuilding programme which is concentrated in the early part of the year will continue to depress company profits in the first half of each financial year.

#### Summary of Results (unaudited)

	26 weeks ended 30 March 1980	26 weeks ended 1 April 1979	52 weeks ended 30 Sept 1979
Sales	28,508	24,328	55,968
Profit before Taxation	184	339	3,313
Earnings per Ordinary Share	0.71p	2.88p	49.67p
Dividend per share	5.26p	5.28p	16.55p

Copies of the full Interim Statement can be obtained from the Secretary, Redfean National Glass Limited, Fishergate, York, YO1 4AD.

he Lande

"I'd rather you didn't risk eating in the canteen, dear. It's well known that Mrs Thatcher is anxious to sleep up natural wastage in the Civil Service."

## FINANCIAL NEWS

## Stock markets

## Oils hold attention as equities languish

The stock markets were in the doldrums yesterday, with the usual exception of the oil sector which saw investors returning after the short-lived shakeout on Monday.

Equities, after a small rally in the first hour of trading which pushed the FT index up a fraction to 434.0, drifted down for the rest of the day. Only company results, special situations and a few scattered stocks bucked the general trend, providing any interest.

The publication of the unemployment figures, which were the worst for May since the war, were in line with expectations and had virtually no impact on prices. Dealers reported an absence of buyers, but few sellers, concluding that investors were waiting to see if the oil market sustains its current momentum.

Government stocks showed the same picture as the equity market, with long-dated securities losing about 1/8 on the day after a steady drift down. Shorter dated securities, however, repeated the pattern shown in the last couple of days with thin trading. Prices were easier at the start of the day and drifted off about 1/8. Some business in various issues, including the £1, but, by the afternoon, the general picture was showing losses of around 1/16.

The FT index finished at 433.6, down 0.2. Most of the leading industrial stocks were down a few pence but one or two managed gains, including Unilever which rose 5p to 410p after investors moved from the Dutch into the British arm of the stock. The spare of Far Eastern buying continued

in Dunlop, particularly after hours and the price closed up at 73p as did Courtaulds at 71p whose results are due on May 29.

June's dividend from West Driefontein, one of Anglo's flagships, could be £10, bringing the full-year to £13. The payout last year was 615 cents. The shares have been edging up recently and are currently £341, some way below the year's "high".

ICI was unchanged at 374p in front of tomorrow's results and Glaxo followed suit at 188p. Theraco-EMI dipped 6p to 278p

as a large line of shares overhung the market and Fisons lost 3p to 284p.

Oil shares began their recovery at the start of trading with Shell's first-quarter figures which were much in line with the market's expectations. In the event, the price rose 4p to 374p, but the day's highlight was Lascio's performance as it moved up by 48 points at one stage.

Continental buyers were in evidence, fuelling the rumour that the German Deminor group would make a bid. It closed firm at 640p, up 40p, while BP edged up to 330p and Ultramar rose 6p to 334p. Tritel showed a 4p improve-

ment to 352p but the secondary stocks appeared more mixed.

Suggestions that Candeca's 25 per cent stake in the Humby Grove drilling might not prove as fruitful as originally hoped forced the price down 3p to 138p, while Carless Capel, another partner, lost 8p to 128p. Imperial Continental Gas finished 4p down at 816p, but Cawoods gained 5p to 188p.

The news that Ladbroke was giving up its casinos boosted it by 8p to 165p, while Laurence Scott, subject of a pre-announced share raid by Rowe and Pitman for Mining Supplies, gained 1p to 61p, while Mining Supplies drifted back 4p to 91p. Clifford Dairies returned

from suspension sharply down at 130p, 70p off for the ordinary and the "A" 16p easier at 15p.

This followed Unigate's with-

Fresh rumours that Mr Graham Ferguson Lacey is poised to take his profits on Weeks Petroleum, the oil exploration group in which his National Carbonising has a stake and through a "pooling arrangement" controls a shade under 30 per cent of the stock, have been dismissed by the energetic Mr Lacey. Weeks' shares strengthened 5p in a sector trend to 415p.

drawal of their offers, and fading bid hopes clipped 6p from Fedens at 36p. A dull patch for motor distributors left Hartwells down 4p at 62p, but the annual report put 1p on Tozer Kemsley. On the last day of the Waring and Gillow bid for Maple Holdings, Maple's price was unchanged at 35p. In foods, Tate and Lyle gained 4p to 134p with investment demand inspired by the S. & W. Berisford bid for British Sugar.

Sharply reduced earnings clipped 5p from Redfearn National Glass at 231p, while insurance broker, C. E. Heath added 5p to 208p. Equity turnover for May 19 was £108.91m, number of bargains, 14,171. The most active stock, according to Exchange Telegraph, were Lascio, Carless Capel, Premier, Shell, RTZ, BP, Acrow Barclays, Burmah, BAT, Courtaulds, Dunlop, European Ferries, Laurence Scott and Maple Holdings.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
Brit. Syphon Inds (F)	26.8(20.0)	1.3(1.2)	12.55(15.95)	2.7(—)	7/7	4.0(3.3)
J. Carr (I)	11.9(9.4)	3.7(1.1)	3.57(1.1)	0.8(0.66)	9/7	(—)
Crystallite Higgs (I)	7.5(6.6)	0.05(0.3)	3.57(1.1)	—	—	—
C. E. Heath (F)	(—)	12.95(16.03)	22.1(29.6)	6.63(3.80)	—	9.66(9.39)
Est & Agency Hldg (F)	(—)	0.10(0.05)	0.96(0.98)	1.0(—)	—	1.0(—)
External Int Test (F)	(—)	0.06(0.05)	0.06(0.05)	3.75(2.5)	4/7	7.0(5.6)
Fine Art Dev (F)	58.06(48.3)	6.02(5.91)	6.02(5.91)	1.5(1.15)	3/7	2.5(2.03)
Furness Withy (F)	196.3(178.6)	8.53(12.2)	20.97(33.62)	(—)	—	3.85(9.12)
K Shoes (I)	35.5(29.2)	2.3(2.1)	6.82(5.69)	1.2(0.86)	5/9	—
Land & North (F)	22.8(17.0)	12.0(10.5)	12.0(10.5)	2.35(2.1)	7/7	3.75(3.35)
Lloyds Bank Int (I)	(—)	22.8(18.9)	(—)	(—)	(—)	(—)
Majed Intest (I)	(—)	0.26(0.15)	1.14(0.47)	(—)	(—)	(—)
Manchestr Liners (F)	58.4(64.1)	3.19(0.48)	18.94(3.18)	(—)	(—)	(—)
Nthn Amer Trst (I)	(—)	1.9(1.1)	(—)	1.2(1.0)	7/7	Nil(1.0)
Plaxtons (I)	(—)	0.18(0.33)	0.71(2.88)	3.0(2.25)	14/6	(—)
Redfern Nat Glass (I)	28.6(24.3)	0.11(0.33)	14.98(11.70)	5.28(5.28)	31/7	—
Scott & Roberton (F)	24.2(19.5)	0.61(0.72)	0.61(0.72)	1.53(1.53)	7/7	3.05(3.05)
Sheffield Brick (F)	4.1(2.5)	0.01(0.02)	0.01(0.02)	0.01(0.02)	1/7	1.78(1.13)
Shires Invest (F)	(—)	0.41(0.38)	1.11(1.94)	7.96(6.3)	21/7	10.9(9.7)
Shell (Q)	8.354(6.330)	718(618)	25.5(22.0)	(—)	(—)	(—)
Tongat Corners (F)	0.11(0.07)	0.30(0.21)	35.9(4.11)	8.0(5.0)	—	12.0(5.0)
Wm. Williams (Card) (I)	1.3(1.0)	0.30(0.12)	1.83(1.0)	3.7(2.7)	4/7	6.5(5.2)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. \* = Rand & cents. \* = Net loss. \* = Loss.

## Briefly

will continue buying at 60p a share.

Air Cell (Holdings) will make available a further 50,000 shares to help satisfy subscription demand. When applications closed yesterday the 150p shares were 2.9 times over subscribed.

Estates & Agency Holdings' pre-tax profits for 1979 doubled from £22,000 to £104,000.

John Carr (Doncaster): Group turnover for half-year to March 31 rose from £11.06m to £13.36m, while pre-tax profits jumped from £1,000 to £25,000. Interim payment, 1.5p (1.42p) gross.

Jersey General Investment Trust: Profit for year to April 30 £840,000 (£763,500). Nav 31p (33.7p). Dividend already declared, 1.5p (1.42p) gross.

Carl and Tyneside trusts: Formal proposals for liquidation of Carl and Tyneside Investment Trusts have been sent to shareholders. Convertible loan stock to be converted into shares; debentures and preference shares to be repaid at par. Assets of Carl to be transferred to new Target Energy Fund; those of Tyneside to Target Income and Income Fund. Shareholders initially to receive three units in relevant trust for one ordinary share.

Mineral Supplies: now holds 21.4 per cent of Lawrence Scott, as Rowe and Pitman has bought a further 4.5 per cent and said it

(£1.2m) including a transfer of £4m (£0.8m) to the general provision reflecting higher level of commercial lending at March 31. On a cash basis, pre-tax profit, £5m (£3.6m).

M&M gives warning: Management Agency and Music, the Tom Jones and Engelbert Humperdinck show business group, reports a small profits setback for opening six months to January 31, and warns that full year's total will also be lower. Interim profits slipped from £1.4m pre-tax to £1.36m, and profits for full year are now likely to be "somewhat lower" than originally expected.

Associated Biscuits expects further profit growth in 1980, despite disappointing trading figures in March and April. Mr Gordon Palmer (chairman) told the annual meeting. The strength of sterling continues to affect export trade, particularly to the United States and Canada, but the recession has not affected it more than other manufacturers.

Geers Gross: In a move which will expand operations in United States, London-based Geers Gross has bought Martin Larcher Arlow Advertising (MLA) for \$2.3m (£1m). Geers Gross has funded the acquisition partly by a placing of 1.6m ordinary shares at 43p, the balance being made available from bank facilities.

Merger cleared: Proposed merger between Wedd Durlacher Mordern and Media Levy not to be referred to Monopolies Commission.

Crystallite (Holdings): Turnover for half-year to March 31 £7.53m (£6.6m). Pre-tax profit £54,000 (£39,000). Eps 1.67p (1.18p).

## Construction boosts London &amp; Northern

By Michael Prest

London and Northern, the construction, scrap and steel stockholding group, increased pre-tax profits by 9.3 per cent last year to £12.5m. Turnover rose by 31 per cent to £228m. The group's final dividend is 3.36p, making 5.36p for the year compared with 4.78p in 1978.

Mr Jack Mackenzie, London and Northern's chairman, says that £40m of the extra turnover came from the construction side of the business. Although work on the giant Jebel Ali project in the United Arab Emirates will soon be completed, Mr Mackenzie says the company has sufficient orders to maintain construction turnover at current levels for two and a half years. The construction order book is worth 50 per cent more than a year ago.

The picture on the steel and scrap side, however, is not so good. Margins are very low, and turnover hardly rose at all. Scrap sales in the first half of this year were hit by the steel strike, though the potential

damage was partly reduced by exports.

But one benefit from the steel and scrap interests is stock relief. The tax charge was down from £4.7m to £3.35m, mainly because of a £1.1m stock relief credit. Mr Mackenzie expects that such write-backs will be a feature of the company's results for the foreseeable future.

Interest charges rose substantially from £1.5m in 1978 to about £5m last year. Total borrowings increased from £15m to £21m. The difference is almost entirely attributable to the need to finance higher stocks.

Future growth is expected to come mainly from the construction business, particularly Paulings. The group has major contracts for the oil industry around Inverness and Aberdeen, Winkleside, the Torness power station, and the Shell liquid petroleum gas terminal.

Mr Mackenzie argues that this work benefits from both the major construction areas in the country and the Government's regional policy. Earnings per share were 14.9p against 10.8p.

## Fine Art advances for 25th year in row

By Peter Wainwright

Fine Art Developments, the greetings cards and mail order group, published its figures for the year to March 31 yesterday. Those for the group it is probably about to absorb, Wilson Brothers, also in greetings cards, are due today.

The Wilson figures alone will make it clear whether the acquisition for shares and cash will involve dilution of earnings, but even then the Monopolies Commission could well have the final say.

Fine Art's sales rose by 19.9 per cent to £38.06m and only a big jump in interest charges from £720,000 to £102m stopped pretax profits from going ahead faster. These rose by 9.3 per cent to 6.1m, the twenty-fifth in a row.

Quickly would have been quicker but for the cost of borrowing. It is understood that overdrafts are still not large. Tax is high at £3.3m in relation to available profits due to tax overseas, and to conservative accounting. The group continues to provide for deferred tax because, it argues, so much depends on the whims of whoever is Chancellor.

The result, however, is all but to stop the growth in earnings a share which rose only from 5.3p to 6.0p. However, the balance below the line is bolstered by nearly £2m (1m of extraordinary items, including a surplus from revamping premises and a release of stock relief provision of £1.5m).

## First half drop at Redfearn

Poor trading conditions, heavy redundancy payments, and the costs of starting a new product line considerably depressed the first-half pre-tax profits of Redfearn National Glass from £329,000 to £184,000. Full-year profits are expected to be less than 1979's £331m.

Mr John Pratt, the chairman, says Christmas demand was unexpectedly low, leaving soft drinks manufacturers — the company's main customers — with higher bottle and container stocks. Demand throughout the industry is weak and is not expected to improve much in the second half.

Redundancies cost £550,000, while delays in launching the new line of plastic bottles have resulted in unspecified extra charges. Disruptions in production caused by furnace rebuilding also held interim profits down.

The interim dividend is unchanged at 7.54p gross, and Mr Pratt hopes the final will not be lowered.

## C E Heath expects difficult year as profits decline

By Peter Wilson-Smith

Lower profits from insurance broker and underwriting agents C. E. Heath in the year to March 31 were accompanied by a warning that prospects for 1980-81 were not good.

"I honestly cannot be too optimistic," said Mr Frank Holland, the chairman. "I think we are in for another flat year." Heath's operating profit fell by 19 per cent to £12.95m. This excludes a special provision of £894,000 treated as an exceptional item, which the group has made a gains money owed by companies and agents overseas which may not be recovered. After deducting this, taxation of £502m against £6.99m, minorities and below-the-line exchange losses, attributable profits fell from £8.77m to £6.71m and earnings per share were down from 29.6p to 22.1p.

The year's gross dividend has been increased by 71 per cent to 13.8p, excluding the special dividend of 5.67p gross paid at the interim stage but relating

to 1978-79 following the of dividend controls.

Contributing to the profits were the strong weakness in most markets and the inflation pushing up expenses. On to insurance quarters of income in currencies, the rise in cost £1.48m. Profits fell £9.87m to £7.67m with wage costs more than of the increase in received.

Results for the under side included an one second half loss of £1 from the new French army, Groupe Sprinks, who run into problems.

The underwriting side suffered from reduced in Australia — the largest underwriting of — and with sterling up profits, by £308,000, writing profits were a lower at £3.79m

## Manchester Liners pass dividend after £3m loss

After an interim pre-tax loss of £2.28m, Manchester Liners, a subsidiary of Furness Withy, made a pre-tax loss for 1979 of £3.19m, compared with a £483,000 pre-tax profit in 1978. It was the third successive year of decline.

The 1979 loss is struck after ship sales turned up a £700,000 loss. Associated profits were £405,000. There is a £1.05m tax credit. In addition, extraordinary debits of £776,000 reflect the cost of liquidating the loss-making dry docks engineering business. There is a final dividend and no interim payment was forthcoming either.

The shares closed at 220p last night. Eurocanadian Ship Holdings owns 37.6 per cent of the equity.

The company's new chairman, Mr Williams Roberts, says the 1979 loss reflects depressed

world charter markets, dollar, and the end losses. Sales fell from £58.4m. But "of activities are looking encouraging", now the star is over.

Manchester Liners' parent, Furness Withy pre-tax profits of £8.1979, down from £3.68m over rose from £178 £196.3m. Its interim profits were up to £301,000 against £5.7m 1978, but the full-year net income was £4.1. Interest costs were £10. Furness Withy ma interim dividend pays 5.5p gross before a minor increase in last month. There is r payment.

The shares closed last night.

## British Syphon pretax profits rise to £1.3m

British Syphon Industries' pre-tax profits in 1979 showed a £102,000 increase to £1.31m, after a £325,000 improvement at the trading level. The figures include a small contribution from plastics interests acquired in the second half.

Interest charges rose by more than 50 per cent to £526,000 from £348,000 in 1978. The year's gross divi-

dend rose 26.3 per cent to give a 10.2 per cent 56p.

The drinks dispensing, recent sales were adversely affected by the road haulage and by freezing weather in the second half.

It could be vulnerable to downturn in retail st

# "6,000,000 PEOPLE WERE DIRECTLY CONCERNED WITH THE HALIFAX AS INVESTORS OR BORROWERS"

Sir Raymond Potter, Chairman



At the 127th Annual General Meeting of the Halifax Building Society held on 19th May, 1980 the Chairman, Sir Raymond Potter, made the following points...

£7,603M	£8,943M
ASSETS 1979	ASSETS 1980

...During the year ended 31st January 1980 the assets of the Society increased by £1,340 million or 17.6% to the figure of £8,943 million. This increase in one year exceeded the total assets of the Society 12 years ago. Moreover the increase represented over £4 million for each working day... The net investment inflow was £1,294 million, a record for the Halifax and for that matter any other building society...

...At the end of the year 6,000,000 people were directly concerned with the Halifax as investors or borrowers — nearly one in nine of the total population of the United Kingdom...

...46% of new advances made were to first-time borrowers.

...On new housing the proportion of the Society's total lending was £257 million. It is hoped that this figure will increase to

something nearer £300 million in the current year.

...During the year we made a number of changes and innovations in our range of services to investors. Our

regular savings department known as the Monthly Savings Plan has been improved so that larger amounts can be saved... We have also introduced a facility for paying interest monthly from Term Share accounts and more recently the Sun Alliance and Halifax Bonds scheme has been improved to give a better return... Last year we introduced successfully a form of longer term investment called Convertible Term Shares...

...In addition the Halifax was the first building society in the country to launch a service allowing customers to withdraw from cash dispensing machines using a plastic card rather than a passbook. This service is known as Cardcash...

...The servicing in as efficient a manner as possible of the millions of accounts to which I have referred is a matter calling for constant attention and constant search for technological improvements. In particular we hope to speed up transactions at branches by the installation of direct links from the counter to the central computing system...

# HALIFAX

The biggest building society in the world.  
Trinity Road, Halifax HX1 2RG

## 1979

Pre-tax Profit £16,013,000

Earnings per 20p Ordinary Share 11.9p

Dividend 5.67p

Dividend cover 2.08x

Dividend yield 4.8%

Dividend growth 10.2%

Dividend stability 100%

Dividend security 100%

Dividend safety 100%

Dividend soundness 100%

Dividend strength 100%

Dividend value 100%

Dividend worth 100%

Dividend quality 100%

Dividend reputation 100%

Dividend prestige 100%

Dividend prominence 100%

Dividend power 100%

Dividend position 100%

Dividend potential 100%

Dividend promise 100%

Dividend principle 100%

Dividend practice 100%

Dividend procedure 100%

Dividend process 100%

Dividend product 100%

Dividend production 100%

Dividend productivity 100%

Dividend profit 100%

Dividend performance 100%

Dividend presentation 100%

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In his annual statement to shareholders Mr Kenneth Thorogood, Executive Chairman, said:

Profits for 1979 more than doubled and are now on a different plan from the past: substantially increased dividend; stronger balance sheet; and confident prospects.

Tel. No. \_\_\_\_\_

## Commodities

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## Wall Street

## Euro-\$ Deposits

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## REGIONAL UNEMPLOYMENT

100

## Authorized Units, Insurance & Offshore Funds

[illegible]

## Stock Exchange Prices

## Oils start recovery

ACCOUNT DAYS: Dealings Began, May 12. Dealings End, May 30. § Contango Day, June 2. Settlement Day, June 9

§ Forward bargains are permitted on two previous days

**WORLD WARM AIR**  **HAND DRYERS**

ILLUSTRATED BROCHURE & PRICES FROM WARNER HOWARD LTD  
PEARL ASS. HOUSE · 125 EDGWARE RD · LONDON W2 2HX (01-262 2314)

**DOUGLAS**  
**CIVIL ENGINEERING &  
BUILDING CONTRACTORS**  
BIRMINGHAM · CARDIFF · LONDON · GLASGOW  
LONDON · STOCKTON ON TEES · SWANSEA · WIGAN

1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478																																																																														
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## Property

### Bidding for a place in the country

One of the best ways of acquiring a good country home is to attend auctions at which fairly large estates are to be offered in lots, particularly when there is a fairly high residential content.

A good example is a forthcoming sale planned by Knight Frank and Rutley to take place late next month at which a small stud, a mill house and 12 other houses and cottages near Hungerford, on the borders of Wiltshire and Berkshire, will be offered. The properties are the remaining portions of the Stype Estate, originally owned by the late Sir Charles Clere.

Prices are expected to range from about £5,000 for a small and derelict brick and thatched cottage up to about £90,000 for the stud. The properties will be offered in 14 lots.

Burridge Heath Stud includes a good farmhouse, traditional buildings, loose boxes and about 32 acres of paddocks, fields and woodland. The Old Mill House, set by a mill stream, has three reception rooms and four bedrooms. This accommodation could be extended by taking in the adjoining mill, which still contains much of the original machinery. Fishing rights in the stream go with the property.

The remaining properties include a four-bedroom farmhouse and a series of cottages, some thatched, with two or three bedrooms.

Another converted water mill but on a larger scale is The Mill House, at Rook, near Basingstoke, Hampshire, which has a grade two listing as being of special architectural or historic interest.

Dating from the seven-

teenth century the mill was in working order until about the turn of the century, when it was converted into a residence. It is built of brick and timber, with brick infilling and a mansard roof.

Architectural details include lead guttering and leaded casement windows. Accommodation includes two reception rooms, an office, four bedrooms and a dressing room. There is staff accommodation within the house, plus a detached cottage.

The partly walled garden is intersected by the mill stream and there is about 600 yards of double and single bank fishing. The sale is on behalf of the executors of the late Sir Edward Chadwick-Healey, former president of the Salmon and Trout Association. Offers in the region of £175,000 are being asked through Strutt and Parker of Salisbury.

Earlier in period but now well modernized is Hillgate Farm, in Rolvenden Layne, near Cranbrook, Kent.

This building seems to date basically from the fif-



The Mill House, Hook, Hampshire, with a grade II listing and 600 yards of fishing.

teenth century and has a grade two listing. It is built of brick, partly tile hung and partly weatherboarded and has a tile roof. Most of the rooms have views over farmland.

There are three reception rooms, a good-sized sun room with windows on three sides, a study, three main bedrooms, and a playroom or fourth bedroom. Outbuildings include a barn.

Gardens and grounds extend to about three acres in all, of which just over half

is a paddock. Braxtons of Tunbridge Wells are looking for offers of about £100,000.

The well timbered Emmerstones Cottage, in The Lane, Tebworth, Bedfordshire dates from the seventeenth century and is thought originally to have been two or possibly three small cottages. The house is roomy and has a large open-plan living room, five bedrooms and two bathrooms as well as an integral garage.

The property extends to about one third of an acre and is for sale at £90,000 through John H. James and Co of Baldock.

One of the more unusual conversions to appear on the market is The Old Station House, on the outskirts of Peterborough. It is an old railway station, at one time part of a private rail system commissioned in 1855 by the Marquess of Exeter, which eventually linked Stamford and Peterborough. It was finally closed in 1929.

The old waiting room forms the present main sitting room, and a sun porch has been built out on to the platform. There are three reception rooms and two bedrooms. The original weight-bridge cabin has been retained and is used for garden tools. The property is being sold with about three acres of land at £58,000, by Smiths & Gore, of Peterborough.

Another conversion is The Forge at Bellingham, six miles from Hereford, which overlooks the River Wye. The house has been made from an old smithy and now has two reception rooms and

two bedroom suites, each with its own dressing room and bathroom.

There is a detached guest or staff cottage with two rooms and its own kitchen and bathroom. The house is being sold with three acres of grounds, which include two paddocks. It is due to come to auction early next month, if not sold previously, the property is expected to make more than £85,000. The agents are Bernard Thorpe and Partners of London.

Edwin's Hall at Wobham, near Chelmsford, in Essex is double moated, possibly for reasons of livestock protection and defence. The house is the remaining part of a much larger sixteenth century hall and is built mainly of mellow brick under a tile roof, with mullioned windows.

Main accommodation includes three reception rooms, a breakfast room and a combined sun room and sauna on the ground floor, plus a bedroom, dressing room and bathroom suite and eight further bedrooms upstairs.

Apart from the moats, the well-timbered gardens and grounds include a large pond and a part walled kitchen garden. They extend in all to about 10 acres. More than £200,000 is being asked through Cluttons.

The Old Rectory, at Rickingham, near Botesdale in north Suffolk, is expected to make about half that sum. The house is an old Georgian rectory and is built partly of Suffolk brick and partly of red brick. A feature of the interior is an unusually good oak and pine staircase with twisted bannisters. There are two reception rooms, a morning room, breakfast room and a kitchen with the original Dutch oven.

Upstairs are seven bedrooms and a dressing room. Grounds run to about 4½ acres and include a walled vegetable garden and a paddock, with a number of outbuildings. The agents are Savills of Norwich, jointly with H. C. Wolton and Sons of Bury St Edmunds.

Gerald Ely



## Residential property



### Strutt & Parker

13 Hill Street, Berkeley Square, London W1X 8DL 01-639 7282

#### WEST SUSSEX

Sturminster 1 mile.

A FIRST-CLASS DAIRY FARM with character Farmhouse having fine views to the South Downs. 3 reception rooms, 5 bedrooms, 2 bathrooms. An excellent 120 cow dairy unit and dairy buildings. Fertile pasture and arable land. About 229 Acres. For Sale by Private Treaty. Lewes Office, 201 High Street (07916) 5411

(Ref. 6AC1539)

#### RUTLAND

Oakham 2 miles. Leicester 18 miles.



A SPACIOUS PERIOD HOUSE on the edge of a village close to Rutland Water. Hall, 4½ reception rooms, 7 main and 2 secondary bedrooms, 4 bathrooms. Central heating. Gardens and grounds. About 1.75 Acres (further 6 acres available). Joint Agents: Messrs Murray, Oakham (0572) 5555; Strutt & Parker, Grantham Office (0476) 5226.

For Sale by Private Treaty as a whole, or in lots.

Lewes Office, 201 High Street (07916) 5411.

(Ref. 6AC1533)

#### RUTLAND

Oakham 6 miles. Peterborough 17 miles. (Kings Cross 50 mins.)



A FINE REGENCY FRONTED HOUSE in a secluded rural position almost adjoining Rutland Water. Hall, 3 reception rooms, study, playroom, 6 bedrooms, 2 bathrooms. Staff flat. Full central heating. Garage. Stabling and garaging. Tennis court. Swimming pool. Mature gardens, spinney and 3 paddocks. About 8.2 Acres. Grantham Office (0476) 5608.

For Sale by Private Treaty.

Lewes Office, 201 High Street, Tel: (07916) 5411.

(Ref. 6AC1535)

#### MID-SUSSEX

Haywards Heath 4 miles. (Victoria 45 minutes).

A FINE PERIOD HOUSE OF CHARACTER amidst beautiful landscaped gardens and grounds. 4 reception rooms, 5 bedrooms, dressing room, 2 bathrooms. Full central heating. Gas central heating 2-bedroomed cottages. Garages and outbuildings. Old barn/garage. Superb gardens with water features and paddocks. About 23 Acres. Grantham Office (0476) 5608.

For Sale by Private Treaty.

Lewes Office, 201 High Street, Tel: (07916) 5411.

(Ref. 6AC1535)

### MESSINGER MAY BAVERSTOCK

#### STILEMANS STUD GODALMING SURREY

South West Surrey adjoining National Trust Winkworth Lakes and Arboretum AN EXCEPTIONAL RESIDENTIAL COUNTRY PROPERTY

SUPERB STUD FARM AND TRAINING ESTABLISHMENT FOR THOROUGHBREDS



A Country House with late 17th Century characteristics of High quality—mainly oak and stone.

Four reception rooms, large reception hall. First floor: open reception salon, six principal bedrooms, 2 dressing rooms and 2 bathrooms. Cinema. 3 secondary bedrooms and 2 bathrooms. Wing of 6 bedrooms each with en-suite bathroom. Swimming pool and tennis court. Tuber-stone new gardens, lawns and outbuildings.

Upper Yard

Superior Cottages and Stable Block

TWO MODERN STABLE YARDS WITH 56 WELLS-EQUIPPED BOXES

with hay and feed stores, tack rooms and large modern barn

PRIVATE RAILLED ROAD COURSE 71/91 TURLONGS (19-ACRES)

PASTURE LAND (37-ACRES) WITH FORMER LIGHT AIRCRAFT

LANDING STRIP (1,000 YARDS)

SEVENTEEN RAILLED PADDOCKS (57-ACRES) AND WOODLAND

(12-ACRES)

ABOUT 162 ACRES IN ALL

FREELAND FOR SALE PRIVATELY AS A WHOLE AT A SUBSTANTIAL

PRICE

Apply: Messinger May Baverstock, 83 High Street, Godalming, Surrey.

Tel: (0425) 2307 Ref: GT.

CHARTERED SURVEYORS IN 1882

### SUSSEX EAST

16th Century Listed Farmhouse, Georgian Wing, 1

Beams, oak-paneled, Galleated

Landing, 3 miles main line, 4

beds, 6 baths, 4-1/2

laundry, cloak, oil ch. Offers

in excess of £75,000.

TEL WEST BURNWASH 245.

### Humberts

Formerly Humbert, Flint, Rawlence & Square

#### WILTSHIRE

Marlborough 11 miles. M4 10 miles

A SUBSTANTIAL PROPERTY in secluded position with views over the town and surrounding countryside. Hall, 4 reception rooms, kitchen, utility room, usual domestic offices, 6 principal bedrooms, 4 bathrooms, dressing room, 2 secondary bedrooms, 2 bathrooms. Central heating. Double garage with 2 cars. Attractive well-maintained garden and 2 paddocks. About 20 acres. Details: 8 Rotherstone Street, Salisbury (0723) 27274. Or Joint Agents: Peacock & Co., Brooklands, Newbury Street, Wokingham (023 57) 6633.



# Residential property



## SAVILLS

### BUCKINGHAMSHIRE/NORTHAMPTONSHIRE BORDER

Higham 3 miles. Bletchley 12 miles (Easton 30 minutes). Milton Keynes 12 miles. A630 15 miles.



Large Georgian farmhouse in peaceful rural setting with excellent outbuildings. Reception rooms, kitchen/breakfast room, 6 bedrooms and 3 bathrooms including 1 suite. Oil fired central heating. Stabling. 1 acre.

1st July, 1980 (unless previously sold).

15 - Country Residential Department, 5 Mount Street, London W.1. Tel. 01-499 8644.

21 Horse Fair, Banbury, Oxon, OX16 8AW. Tel. (0295) 3635.

IREY/SUSSEX/KENT BORDERS 380 Acres

n 23 miles. Gatwick Airport 6 miles.

South Park and Stantree Farms, Godstone.

equipped dairy farm with farmhouse, 2 cottages, modern 250 cow dairy unit and 2 small arable and stock farm with farmhouse. Modern livestock buildings and 2000 sq. ft. of accommodation land in parcels of from 3 to 64 acres.

Whole or in lots.

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Whole or in lots.

15 - Country Residential Department, 5 Mount Street, London W.1. Tel. 01-499 8644.

21 Horse Fair, Banbury, Oxon, OX16 8AW. Tel. (0295) 3635.

IREY/SUSSEX/KENT BORDERS 380 Acres

n 23 miles. Gatwick Airport 6 miles.

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### SURREY—THE NORTH DOWNS

About 250 Acres

Kingwood 1 mile. Redhill 8 miles. Gatwick 16 miles. Central London 15 miles.



Most prestigious country house of 18th Century origin together with first class commercial dairy farm, and in unsurpassable position on the North Downs. 3 reception rooms, 5 bedrooms, 2 bathrooms. Cottage Annex with reception room, 2 bedrooms and third bathroom, oil fired central heating. Attractive garden. Double Garage with Two Bedroom Flat over. Modern Farm Manager's House, 4 semi-detached cottages. Excellent range of modern and traditional Farm Buildings. Auction 3rd July, 1980 (Unless Previously Sold).

SAVILLS, Country Residential Department, 5 Mount Street, London W.1. Tel. 01-499 8644.

WHITE AND SONS, 104 High Street, Dorking, Tel. (0305) 87554.

EAST SUSSEX—ASHDOWN FOREST About 28 Acres

Forest Row 5 miles. Uckfield 6 miles. Haywards Heath Station 10 miles. Victoria 43 minutes.

Stad Farm virtually adjoining Ashdown Forest. Attractive modern house with excellent range of stables, large barn and 25 acres good paddock land with views over Ashdown Forest.

2 reception rooms, 4 bedrooms, bathroom, staff/guest accommodation of sitting room, bedroom and bathroom. Oil central heating, garden, excellent stable yard with 5 loose boxes, 80ft. x 50ft. barn and outbuildings, 5 post and rail paddocks.

Auction 30th June 1980 (Unless Previously Sold).

Auctioneers: SAVILLS, 5 Mount St., London W.1. Tel. 01-499 8644.

WOOD, EVATT & GARDNER, Forest Row, Sussex. Tel. (03232) 2255.

OXFORDSHIRE—ADDERBURY

Banbury 31 miles. Oxford 191 miles.

A unique modern stone residence beautifully situated on the edge of the village.

Entrance hall, 3 reception rooms, kitchen/breakfast room, 5 bedrooms, 3 bathrooms, domestic offices, central heating. Garaging for 4 cars. Self-contained Staff Flat.

Extensive outbuildings, landscaped gardens and paddock, in all about 7.7 Acres.

SAVILLS, 21 Horse Fair, Banbury, Oxon. Tel. (0295) 3535.

GLoucestershire COTSWOLDS

Tetbury 31 miles. Cirencester 8 miles.

The Ashley Manor Estate. Historic country house with 18th Century Farm of exceptional quality.

The Manor—3 reception rooms, 5 bedrooms, bathroom. Farm Manager's house, modern cottages, modern and traditional farm buildings. Fertile arable land in convenient enclosures.

Auction 26th June 1980 (Unless Previously Sold).

SAVILLS, 21 Horse Fair, Banbury, Oxon. Tel. (0295) 3535.

FIELDER & JONES, 10 Oxford Street, Malmesbury, Wiltshire. Tel. (0682) 2801.

ESSEX—LOUGHTON

Spacious 19th Century house set in an exceptional secluded position yet close to all amenities. First class well fitted accommodation and very beautiful grounds.

Beautiful drawing room, billiard room, dining room, sitting room, fully fitted modern kitchen, 5 bedrooms, 3 bathrooms, staff flat. Oil fired central heating. Garage for 5-6 cars, heated swimming pool, hard tennis court, lovely gardens, trees, lake, paddock, about 7 Acres.

SAVILLS, 18 London Road, Chelmsford, Essex. Tel. (0245) 69371.

Worcestershire—WEST MALVERN

Great Malvern 2 miles. Cheltenham 23 miles. Birmingham 38 miles.

Magnificent Regency house with quite outstanding views across Herefordshire to the Black Mountains.

Drawing room, sun lounge, dining room, bathroom, 6 bedrooms, 2 bathrooms. Staff flat. Delightful garden. About 2 Acres.

SAVILLS, Country Residential Department, 5 Mount Street, Berkeley Square, London W.1. Tel. 01-499 8644.

ANDREW GRANT, 17 Worcester Road, Malvern. Tel. (06845) 63126.

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